

Tab 1	SB 840 by Hutson; (Compare to H 00223) Gaming					
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The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA
 APPROPRIATIONS SUBCOMMITTEE ON FINANCE AND
 TAX
 Senator Stargel, Chair
 Senator Garcia, Vice Chair

MEETING DATE: Monday, February 12, 2018
TIME: 1:00—3:00 p.m.
PLACE: James E. "Jim" King, Jr. Committee Room, 401 Senate Office Building

MEMBERS: Senator Stargel, Chair; Senator Garcia, Vice Chair; Senators Campbell, Perry, Rodriguez, and Steube

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	SB 840 Hutson (Compare H 223, H 7067, CS/S 374)	Gaming; Authorizing a greyhound racing permitholder to receive an operating license to conduct pari-mutuel wagering activities at another permitholder's greyhound racing facility; authorizing such thoroughbred racing permitholder's facility to remain an eligible facility, to continue to be eligible for a slot machine license, to be exempt from certain provisions to be eligible as a guest track for intertrack wagering and simulcasting, and to remain eligible for a cardroom license; authorizing the division to establish a reasonable period to respond to certain requests from a licensed cardroom, etc. RI 01/17/2018 Favorable AFT 02/12/2018 Fav/CS AP	Fav/CS Yeas 5 Nays 0

Other Related Meeting Documents

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Finance and Tax

BILL: PCS/SB 840 (514374)

INTRODUCER: Appropriations Subcommittee on Finance and Tax and Senator Hutson

SUBJECT: Gaming

DATE: February 14, 2018

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Kraemer</u>	<u>McSwain</u>	<u>RI</u>	Favorable
2.	<u>Fournier</u>	<u>Diez-Arguelles</u>	<u>AFT</u>	Recommend: Fav/CS
3.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

PCS/SB 840 revises Florida law concerning gaming. The bill:

- Authorizes the execution of a new gaming compact between the State of Florida (state) and the Seminole Tribe of Florida (Seminole Tribe), which:
 - Authorizes the Seminole Tribe to continue to conduct slot machine gaming at its seven gaming facilities;
 - Permits the Seminole Tribe to offer live table games, such as craps and roulette, at its seven gaming facilities;
 - Authorizes banked card games, including blackjack, chemin de fer, and baccarat, at all seven facilities ;
 - Is for a term of 20 years, through June 30, 2038; and
 - Includes a \$3 billion guarantee of revenue sharing payments to the State for the first seven-years (Guarantee Period), with specific payment amounts (Guaranteed Payments) during each year of the Guarantee Period. After the Guarantee Period, payments will be based on varying percentage rates that depend on the amount of the Seminole Tribe's net win (Revenue Share Payments);
 - Provides exceptions to the Tribe's exclusive rights to allow:
 1. The authorization of fantasy contests;
 2. The play of Designated Player Games in cardrooms in the state; and
 3. Certain pari-mutuel permitholders to end live racing.
- Authorizes certain fantasy contests in which participants pay an entry fee, fantasy contest operators and their employees and agents may not be participants in a fantasy contest, prizes

and awards must be established and disclosed before a contest, winning outcomes must reflect knowledge and skill of participants and be determined predominantly by statistical results of performances of individuals, including athletes in sporting events, and winning outcomes may not be based on performances in collegiate, high school, or youth sporting events.

- Provides that the Department of Business and Professional Regulation (DBPR) may not regulate fantasy contests and certain gambling laws set forth in Ch. 849, F.S., do not apply to a fantasy contest conducted by a fantasy contest operator or a commissioner who participates in fewer than ten contests each calendar year and distributes all contest entry fees as prizes.
- Allows, subject to eligibility requirements, greyhound racing permitholders, harness horse racing permitholders, and quarter horse racing permitholders to stop conducting live performances but continue operating slot machine facilities or cardrooms (decoupling).
- Requires permitholders licensed to conduct slot machine gaming or cardrooms that choose to discontinue live racing or games, (i.e., decouple), to make annual payments for the benefit of live thoroughbred horse racing purses.
- Eliminates dormant pari-mutuel permits and repeals authorization for the issuance of summer jai alai permits.
- Reduces the tax rate on slot machines from 35 percent to 30 percent effective January 1, 2019, and to 25 percent effective July 1, 2020.
- Provides that if, in any state fiscal year, the aggregate amount of tax paid to the state by all the slot machine licensees in Broward and Miami-Dade counties is less than the aggregate amount paid in the 2017-2018 state fiscal year, each of those licensees must pay a surcharge to alleviate the shortfall.
- Provides that a Designated Player Game is not a banking game and sets certain requirements and limitations for a Designated Player Game.
- Limits the number of Designated Player Game tables in a cardroom to not more than 50 percent of the cardroom's total licensed tables.
- Grants additional rulemaking authority to the DBPR's Division of Pari-Mutuel Wagering (division) relating to requests from licensed cardrooms and imposes deadlines for response by the division to submissions by cardroom licensees relating to rules for new authorized games, revisions to internal controls, and revisions to rules for games.
- Amends the definition of "slot machine or device" to include machines or devices that provide a preview of the outcome of the game (i.e., pre-reveal games).

If the new compact is agreed to by the Seminole Tribe and approved by the United States Secretary of the Interior, the payments made by the Seminole Tribe to the state will increase both during the Guarantee Period (Fiscal Years 2018-2019 through 2024-2025) and thereafter, compared to the payments the Seminole Tribe would be required to pay the state under the 2010 Gaming Compact.

If the new gaming compact does not become effective, and any provisions of PCS/SB 840 are determined to violate the 2010 Gaming Compact, the Seminole Tribe could stop making payments to the State. The payments are estimated to be \$391.1 million in Fiscal Year 2018-2019, and from \$328.2 to \$361.4 million annually in the following seven years. The bill will also result in the loss of \$4.1 million on a recurring basis in slot machine revenue. See Section V., Fiscal Impact Statement.

PCS/SB 840 takes effect upon becoming a law.

II. Present Situation:

Background

In general, gambling is illegal in Florida.¹ Chapter 849, F.S., prohibits keeping a gambling house,² running a lottery,³ or the manufacture, sale, lease, play, or possession of slot machines.⁴ However, the following gaming activities are authorized by law and regulated by the state:

- Pari-mutuel⁵ wagering at licensed greyhound and horse tracks and jai alai frontons;⁶
- Slot machine gaming at certain licensed pari-mutuel locations in Miami-Dade County and Broward County;⁷ and
- Cardrooms⁸ at certain pari-mutuel facilities.⁹

A license to offer pari-mutuel wagering, slot machine gambling, or a cardroom at a pari-mutuel facility is a privilege granted by the state.¹⁰

The 1968 State Constitution states that “[l]otteries, other than the types of pari-mutuel pools authorized by law as of the effective date of this constitution . . .” are prohibited.¹¹ A constitutional amendment approved by the voters in 1986 authorized state-operated lotteries. Net proceeds of the lottery are deposited to the Educational Enhancement Trust Fund (EETF) and appropriated by the Legislature. Lottery operations are self-supporting and function as an entrepreneurial business enterprise.¹²

¹ See s. 849.08, F.S.

² See s. 849.01, F.S.

³ See s. 849.09, F.S.

⁴ Section 849.16, F.S., defines slot machines for purposes of ch. 849, F.S. Section 849.15(2), F.S., provides an exemption to the transportation of slot machines for the facilities that are authorized to conduct slot machine gaming under ch. 551, F.S.

⁵ Pari-mutuel” is defined in Florida law as “a system of betting on races or games in which the winners divide the total amount bet, 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. See s. 550.002(22), F.S.

⁶ See ch. 550, F.S., relating to the regulation of pari-mutuel activities.

⁷ See ch. 551, F.S., relating to the regulation of slot machine gaming at pari-mutuel locations.

⁸ Section 849.086, F.S., and see s. 849.086(2)(c), F.S., which defines “cardroom” to mean “a facility where authorized card games are played for money or anything of value and to which the public is invited to participate in such games and charged a fee for participation by the operator of such facility.”

⁹ The Department of Business and Professional Regulation (DBPR) has issued licenses to permitholders with 2017-2018 Operating Licenses to operate 25 cardrooms. See <http://www.myfloridalicense.com/dbpr/pmw/PMW-PermitholderOperatingLicenses--2017-2018.html> (last visited Jan. 11, 2018).

¹⁰ See s. 550.1625(1), F.S., “...legalized pari-mutuel betting at dog tracks is a privilege and is an operation that requires strict supervision and regulation in the best interests of the state.” See also *Solimena v. State*, 402 So.2d 1240, 1247 (Fla. 3d DCA 1981), review denied, 412 So.2d 470, which states “Florida courts have consistently emphasized the special nature of legalized racing, describing it as a privilege rather than as a vested right,” citing *State ex rel. Mason v. Rose*, 122 Fla. 413, 165 So. 347 (1936).

¹¹ The pari-mutuel pools that were authorized by law on the effective date of the Florida Constitution, as revised in 1968, include horseracing, greyhound racing, and jai alai games. The revision was ratified by the electorate on November 5, 1968.

¹² The Department of the Lottery is authorized by s. 15, Art. X, Florida Constitution. Chapter 24, F.S., was enacted by ch. 87-65, Laws of Fla., to establish the state lottery. Section 24.102, F.S., states the legislative purpose and intent for the operations of the state lottery.

Chapter 849, F.S., also authorizes, under specific and limited conditions, the conduct of penny-ante games,¹³ bingo,¹⁴ charitable drawings, game promotions (sweepstakes),¹⁵ and bowling tournaments.¹⁶ The Family Amusement Games Act was enacted in 2015 and authorizes skill-based amusement games and machines at specified locations.¹⁷

III. Effect of Proposed Changes:

For ease of reference to each of the topics addressed in the bill, the Present Situation for each topic will be described, followed immediately by an associated section detailing the Effect of Proposed Changes.

Gaming Compacts with Seminole Tribe of Florida

Present Situation:

In 2010, a gaming compact (2010 Gaming Compact) between the Seminole Tribe of Florida (Seminole Tribe) and the State of Florida (state) was ratified by the Legislature.¹⁸ The 2010 Gaming Compact authorizes the Seminole Tribe to conduct certain Class III gaming for a 20-year period, and to offer banked card games for five years, through July 31, 2015. The 2010 Gaming Compact provides that any expanded gaming (beyond what is specifically acknowledged) allowed in the state relieves the Seminole Tribe of its obligations to make substantial revenue sharing payments.¹⁹

Pursuant to Chapter 285, F.S., it is not a crime for a person to participate in raffles, drawings, slot machine gaming, or banked card games (e.g., blackjack or baccarat) at a tribal facility operating under the 2010 Gaming Compact.²⁰

Section 285.710, F.S., provides that money received by the state from the compact is to be deposited into the General Revenue Fund and provides for the distribution of 3 percent of the amount paid by the Seminole Tribe to the specified local governments. The percentage of the

¹³ See s. 849.085, F.S.

¹⁴ See s. 849.0931, F.S.

¹⁵ See s. 849.094, F.S., authorizes game promotions in connection with the sale of consumer products or services.

¹⁶ See s. 849.141, F.S.

¹⁷ See s. 546.10, F.S.

¹⁸ The 2010 Gaming Compact was executed by the Governor and the Seminole Tribe on April 7, 2010, ratified by the Legislature, effective April 28, 2010, and approved by U.S. Secretary of the Interior, pursuant to the Indian Gaming Regulatory Act of 1988, on June 24, 2010. It took effect when published in the Federal Register on July 6, 2010. The 20-year term of the 2010 Gaming Compact expires July 31, 2030, unless renewed. Section 285.710(1)(f), F.S., designates the Division of Pari-mutuel Wagering of the Department of Business and Professional Regulation as the “state compliance agency” having authority to carry out the state’s oversight responsibilities under the 2010 Gaming Compact. See http://www.myfloridalicense.com/dbpr/pmw/documents/2010_Compact-Signed1.pdf (last visited Jan. 11, 2018).

¹⁹ See last sentence in paragraph B of Part XII of 2010 Gaming Compact at page 43.

²⁰ See s. 285.710, F.S., especially subsections (3), (13), and (14). The seven tribal locations where gaming is authorized by the 2010 Gaming Compact are: (1) Seminole Hard Rock Hotel & Casino—Hollywood (Broward); (2) Seminole Indian Casino—Coconut Creek (Broward); (3) Seminole Indian Casino—Hollywood (Broward); (4) Seminole Hard Rock Hotel & Casino—Tampa (Hillsborough); (5) Seminole Indian Casino—Immokalee (Collier); (6) Seminole Indian Casino—Brighton (Glades); and (7) Seminole Indian Casino—Big Cypress (Hendry).

local share distributed to the specified counties and municipalities is based on the net win per facility in each county and municipality.

The 2010 Gaming Compact provides for revenue sharing in consideration for the exclusive authority granted to the Seminole Tribe to offer banked card games on tribal lands and to offer slot machine gaming outside Miami-Dade and Broward counties.

The Division of Pari-mutuel Wagering of the Department of Business and Professional Regulation (DBPR) carries out the state's oversight responsibilities under the 2010 Gaming Compact.²¹

Federal Litigation Concerning the 2010 Gaming Compact

The state and the Seminole Tribe were parties to litigation in federal court relating to the offering of table games by the Seminole Tribe after July 31, 2015, in which the state alleged that the Seminole Tribe's conduct of banked card games violated the 2010 Gaming Compact. The Seminole Tribe alleged it had authority to conduct banked card games under the 2010 Gaming Compact after 2015 because the state had allowed pari-mutuel cardrooms to conduct banked games (i.e., Designated Player Games).

On November 9, 2016, U.S. District Court Judge Robert L. Hinkle issued an Opinion on the Merits, which held the Seminole Tribe may operate banked card games at all seven of its facilities (rather than the five facilities at which banked card games had been allowed since 2010) through the entire 20-year term of the 2010 Gaming Compact (i.e., until 2030) because the state permitted others to offer banked card games (i.e., pari-mutuel cardrooms).²²

Because of the finding that others had been allowed to conduct banked card games, the court found that the 2010 Gaming Compact allows the Seminole Tribe to conduct banked card games at all seven of its gaming facilities, for the Compact's full 20-year term (through July 31, 2030).²³ The DBPR appealed Judge Hinkle's decision.²⁴

²¹ See s. 285.710(1)(f), F.S.

²² See *Seminole Tribe of Florida v. State of Florida*, 219 F.Supp. 3d 1177 (N.D. Fla. Nov. 9, 2016), Case No.: 4:15-cv-516-RH/CAS, Document 103. In addition to the holding as to banked card games, Judge Hinkle held that sovereign immunity barred the court from considering whether the State had failed to negotiate in good faith as to authorizing roulette and craps, and that a ruling on whether electronic forms of blackjack are also a banked card game was unnecessary as that issue was too close to resolve and was not essential to the outcome of the case.

²³ *Id.* at p. 19, and see Judgment issued in *Seminole Tribe of Florida v. State of Florida*, Case No.: 4:15-cv-516-RH/CAS (U.S.D.C. N.D. Fla.), Document 104, filed Nov. 16, 2016, at p. 1. See *Federal Litigation Concerning the 2010 Gaming Compact and Banked Card Games (including Player Banked Card Games with a Designated Player)*, below, for a discussion of Judge Hinkle's decision relating to banked card games.

²⁴ See *Seminole Tribe of Florida v. State of Florida*, 219 F.Supp. 3d 1177 (N.D. Fla. Jan. 19, 2017), Case No.: 4:15-cv-516-RH/CAS, Document 120.

Settlement of the Federal Litigation and Establishment of Forbearance Period

After the appeal of Judge Hinkle's decision was filed, the Seminole Tribe and the DBPR entered into a Settlement Agreement and Stipulation (2017 Settlement) on July 5, 2017.²⁵ The parties agreed to undertake certain actions.

The state agreed to dismiss the pending appeal, and, upon issuance of the final order of dismissal of the appeal, the Seminole Tribe agreed to release the state from all claims by the Tribe for past Revenue Share Payments,²⁶ based on the operation of player-banked games which use a designated player (Designated Player Games) or electronic forms of blackjack (Electronic Table Games) in Florida. The state and the Seminole Tribe also agreed that the findings of fact and conclusions of law in Judge Hinkle's decision are binding on the parties.²⁷

The Seminole Tribe also agreed it would not seek the return of funds associated with tribal gaming paid to and segregated by the state during the pendency of the federal litigation, granting the state unencumbered use of the segregated funds.²⁸

As to the continued operation of banked card games (i.e., Designated Player Games operated as described in Judge Hinkle's decision), the Seminole Tribe agreed to delay taking certain actions until after the last day of the month that the Legislature adjourns²⁹ its 2018 legislative session (the Forbearance Period). The Seminole Tribe agreed not to:

- Suspend Revenue Share Payments; or
- Deposit Revenue Share Payments into an escrow account in accordance with Part XII of the 2010 Gaming Compact, provided that the State takes aggressive enforcement action against the continued operation of banked card games and no other violations of the Tribe's exclusivity occur during the Forbearance Period.³⁰

Effect of Proposed Changes:

Section 1 ratifies and approves in advance a new gaming compact between the Seminole Tribe and the state (the 2018 Gaming Compact) and authorizes the Governor to execute such a compact in the identical form set forth in the legislation. If ratified, the 2018 Gaming Compact will supersede the 2010 Gaming Compact; otherwise, the 2010 Gaming Compact remains in effect. The bill requires the Governor to cooperate with the Seminole Tribe in seeking approval of the 2018 Compact from the United States Secretary of the Interior. The state's ratification expires January 1, 2019, unless the 2018 Gaming Compact becomes effective.

²⁵ See Settlement Agreement and Stipulation (2017 Settlement) (July 5, 2017) (on file with the Senate Committee on Regulated Industries).

²⁶ Revenue Share Payments are the periodic payments to the State by the Seminole Tribe, based on the Tribe's Net Win. Net Win is defined as total receipts from the play of authorized tribal gaming in Florida, less all prizes, free play, or promotional credits. See paragraphs U and X of Part III of the 2010 Gaming Compact at page 11 at http://www.myfloridalicense.com/dbpr/pmw/documents/2010_Compact-Signed1.pdf (last visited Jan. 11, 2018).

²⁷ See 2017 Settlement at page 8.

²⁸ See the 2017 Settlement at page 6.

²⁹ Should the 2018 legislative session be adjourned as anticipated on March 9, 2018, the Forbearance Period will end on March 31, 2018.

³⁰ See 2017 Settlement at page 7.

The 2018 Gaming Compact:

- Authorizes the Seminole Tribe to conduct slot machine gaming at its seven gaming facilities;
- Permits the Seminole Tribe to offer live table games, such as craps and roulette, at its seven gaming facilities;
- Authorizes banked card games, including blackjack, chemin de fer, and baccarat, at its seven facilities;
- Is for a term of 20 years, through June 30, 2038; and
- Includes a \$3 billion guarantee of revenue sharing payments to the state for the first seven-years (Guarantee Period), with specific payment amounts (Guaranteed Payments) during each year of the Guarantee Period. After the Guarantee Period, payments will be based on varying percentage rates that depend on the amount of the Seminole Tribe’s net win (Revenue Share Payments).³¹

After ratification by the Legislature, the 2018 Gaming Compact is subject to approval by the United States Department of the Interior, as required under the Indian Gaming Regulatory Act of 1988. Notice of the approval by the Department of the Interior is published in the Federal Register.³²

The following table compares the terms of the 2010 Gaming Compact to the 2018 Gaming Compact:

	2018 COMPACT	2010 COMPACT
Guarantee Money to State	7-year Guarantee worth \$3 billion (Starts 7/1/2018) 1- \$325 million 2- \$350 million 3- \$375 million 4- \$425 million 5- \$475 million 6- \$500 million <u>7- \$550 million</u> Total: \$3 Billion guaranteed (true-up at end of year 7)	5-year Guarantee worth \$1 billion 1- \$150 million 2- \$150 million 3- \$233 million 4- \$233 million <u>5- \$234 million</u> Total: \$1 Billion guaranteed
Term	20 years; 7-year minimum guarantee.	20 years; 5-year minimum guarantee; Banked Card Games exclusivity expired after 5 years.
Revenue Share to State	Revenue Share to State from Tribe’s Gaming Revenue \$0-2B: 13% (1% increase) \$2-3B: 17.5% (2.5% increase) \$3-3.5B: 17.5% \$3.5-4B: 20%	Revenue Share to State from Tribe’s Gaming Revenue \$0-2B: 12% \$2-3B: 15% \$3-3.5B: 17.5% \$3.5-4B: 20%

³¹ *Id.*

³² 25 U.S.C. s. 2710(d)(8). See **Section 2** of the bill.

	2018 COMPACT	2010 COMPACT
	\$4-4.5B: 22.5% \$4.5B+: 25%	\$4-4.5B: 22.5% \$4.5B+: 25%
Games	<ol style="list-style-type: none"> 1. Slot Machines 2. Banked Card Games 3. Raffles and Drawings 4. Any new game authorized for any person except Banked Card Games authorized for another Indian Tribe 5. Live Table Games 	<ol style="list-style-type: none"> 1. Slot Machines (all Facilities) 2. Banked Card Games (all Facilities except Big Cypress & Brighton) 3. Raffles and Drawings 4. Any new game authorized for any person except Banked Card Games authorized for another Indian Tribe
Facilities	<ol style="list-style-type: none"> 1. Seminole Indian Casino-Brighton 2. Seminole Indian Casino-Coconut Creek 3. Seminole Indian Casino-Hollywood 4. Seminole Indian Casino-Immokalee 5. Seminole Indian Casino-Big Cypress 6. Seminole Hard Rock Hotel & Casino-Hollywood 7. Seminole Hard Rock Hotel & Casino-Tampa 	<ol style="list-style-type: none"> 1. Seminole Indian Casino-Brighton 2. Seminole Indian Casino-Coconut Creek 3. Seminole Indian Casino-Hollywood 4. Seminole Indian Casino-Immokalee 5. Seminole Indian Casino-Big Cypress 6. Seminole Hard Rock Hotel & Casino-Hollywood 7. Seminole Hard Rock Hotel & Casino-Tampa
State Oversight	State Compliance Agency allowed 10 hours of inspection over course of two days per facility, per month, capped at 1,200 hours annually. Tribe pays annual oversight payment of \$250,000, increased for inflation.	State Compliance Agency allowed 10 hours of inspection over course of two days per facility, per month, capped at 1,200 hours annually. Tribe pays annual oversight payment of \$250,000, increased for inflation.
Pari-Mutuel Policy Choices for Legislature	<p>Explicitly states that the following do not violate exclusivity:</p> <ul style="list-style-type: none"> • Lower taxes for pari-mutuels on the operation of slot machines provided the effective tax rate is not less than 25% of slot machine revenues • Decoupling for pari-mutuels • Fantasy contests, as authorized in the bill • Designated player games 	N/A
Internet Gaming	<p>Tribe recognizes that internet gaming, with the exception of fantasy contests as authorized in the bill, is illegal in Florida. If State authorizes internet gaming, other than fantasy contests, as authorized in the bill, THEN→</p> <ul style="list-style-type: none"> • Guaranteed Minimum Payments cease; but • Revenue Share Payments continue. <p>If Tribe offers internet gaming to players in Florida then Guaranteed Minimum Payments continue. Affirmative</p>	<p>If State authorizes internet gaming and Tribe's Net Win from all Facilities drops more than 5% below Net Win from previous year THEN →</p> <ul style="list-style-type: none"> • Guaranteed Minimum Payments cease; but • Revenue Share Payments continue <p>If Tribe offers internet gaming then Guaranteed Minimum Payments continue.</p>

	2018 COMPACT	2010 COMPACT
	recognition by Tribe that internet gaming is illegal in Florida.	
Smoking	Tribe will make efforts to promote smoke-free environment at Facilities	Tribe will make efforts to promote smoke-free environment at Facilities
Compulsive Gambling	Tribe will make annual \$1,750,000 donation to the Florida Council on Compulsive Gambling and maintain a voluntary exclusion list.	Tribe will make annual \$250,000 donation per Facility to the Florida Council on Compulsive Gambling and maintain a voluntary exclusion list.
Compact with another federally-recognized Indian Tribe in Florida	Florida may enter into a Compact with another federally-recognized Tribe that has land in trust in the State as of January 1, 2018.	Florida may enter into a Compact with another federally-recognized Tribe that has land in trust in the State as of February 1, 2010.

Fantasy Contests (Section 3)

Present Situation:

The operation of fantasy sports activities in Florida has received significant publicity, much like the operation of internet cafes in recent years. Many states are now evaluating the status of fantasy gaming activities in their jurisdictions,³³ as there are millions of participants.³⁴

A fantasy game typically has multiple players who select and manage imaginary teams whose players are actual professional sports players. Fantasy game players compete against one another in various formats, including weekly leagues among friends and colleagues, season-long leagues, and on-line contests (daily and weekly) entered by using the Internet through personal computers or mobile telephones and other communications devices. There are various financial arrangements among players and game operators. The term “commissioner” has been used in the context of fantasy baseball leagues to denote a person who manages a fantasy baseball league, establishes league rules, resolves disputes over rule interpretations, publishes league standings, or selects the Internet service for publication of league standings.³⁵

Florida law does not specifically address fantasy contests. Section 849.14, F.S.,³⁶ provides that a person who wagers any “thing of value” upon the result of a contest of skill or endurance of

³³ See Marc Edelman, *A Short Treatise on Fantasy Sports and the Law: How America Regulates its New National Pastime*, Journal of Sports & Entertainment Law, Harvard Law School Vol. 3 (Jan. 2012) (Edelman Treatise), at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1907272 (last visited Jan. 11, 2018), and Jonathan Griffin, *The Legality of Fantasy Sports*, National Conference of State Legislatures Legisbrief (Sep. 2015) (on file with the Committee on Regulated Industries).

³⁴ According to the Fantasy Sports Trade Association, which states it represents the interests of 57 million fantasy sports players, fantasy sports leagues were originally referred to as “roisserie leagues” with the development of Rotisserie League Baseball in 1980, by magazine writer/editor Daniel Okrent, who met and played it with friends at a New York City restaurant La Rotisserie Francaise. See <http://fsta.org/about/history-of-fsta/> (last visited Jan. 11, 2018).

³⁵ See Bernhard & Eade, *Gambling in a Fantasy World: An Exploratory Study of Rotisserie Baseball Games*, 9 UNLV Gaming Research & Review Journal Issue 1, at 30, at <http://digitalscholarship.unlv.edu/grj/vol9/iss1/3/>, (last visited Jan. 11, 2018).

³⁶ See Fla. AGO 91-03 (Jan. 8, 1991), at <http://myfloridalegal.com/... 91-03> (last visited Jan. 11, 2018).

human or beast, or who receives any money wagered, or who knowingly becomes the custodian of money or other thing of value that is wagered, is guilty of a second degree misdemeanor.³⁷

In 2013, Spectrum Gaming Group, as part of a Gambling Impact Study prepared for the Florida Legislature, analyzed data related to participation by adults in selected activities.³⁸ Based on 2012 U.S. Census data, participation in fantasy sports leagues in the prior 12 months (nearly nine million adults), and those who participate two or more times weekly (nearly three million adults), was greater than attendance at horse races in the prior 12 months (6,654,000 adults) with 159,000 attending two or more times weekly.³⁹

Florida Attorney General Opinions on Fantasy Sports Leagues and Contests Involving Skill

In 1991, Florida Attorney General Robert A. Butterworth issued a formal opinion⁴⁰ evaluating the legality of groups of football fans (contestants) paying for the right to manage a team under certain specified conditions. The Attorney General stated:

You ask whether the formation of a fantasy football league by a group of football fans in which contestants pay \$100 for the right to "manage" one of eight teams violates the state's gambling laws. You state that these teams are created by contestants by "drafting" players from all current eligible National Football League (NFL) members. Thus, these fantasy teams consist of members of various NFL teams.

According to your letter, each week the performance statistics of the players in actual NFL games are evaluated and combined with the statistics of the other players on the fantasy team to determine the winner of the fantasy game and their ranking or standing in the fantasy league. No games are actually played by the fantasy teams; however, all results depend upon performance in actual NFL games. Following completion of the season, the proceeds are distributed according to the performance of the fantasy team.

In the contest described in the opinion, each contestant paid \$100 to participate in the fantasy football league and manage one of eight teams. The resulting \$800 in proceeds were used for prizes. The prizes were based upon the performance of the individual professional football players in actual games. Attorney General Butterworth determined that the proceeds qualified as a "stake, bet or wager" on the result of a contest of skill and, as a result, the operation of the fantasy sports leagues violated s. 849.14, F.S., relating to unlawful betting on the result of a trial or contest of skill.⁴¹

³⁷ A conviction for a second degree misdemeanor may subject the violator to a definite term of imprisonment not exceeding 60 days, and a fine not exceeding \$500. *See* ss. 775.082 and 775.083, F.S.

³⁸ *See* Spectrum Gaming Group Gambling Impact Study (Gambling Impact Study), at http://www.leg.state.fl.us/gamingstudy/docs/FGIS_Spectrum_28Oct2013.pdf (Oct. 28, 2013) (last visited Jan. 11, 2018).

³⁹ *Id.*, Figure 22 at page 119 (equivalent to page 67 of Part 1A of the printed Gambling Impact Study).

⁴⁰ *See* Fla. AGO 91-03 (Jan. 8, 1991), at <http://myfloridalegal.com/. . . 91-03> (last visited Jan. 11, 2018).

⁴¹ *Id.*

The 1991 opinion cited *Creash v. State*, 179 So. 149, 152 (Fla. 1938). In *Creash*, the Florida Supreme Court held:

In gamblers' lingo, 'stake, bet or wager' are synonymous and refer to the money or other thing or value put up by the parties thereto with the understanding that one or the other gets the whole for nothing but on the turn of a card, the result of a race, or some trick of magic. A 'purse, prize, or premium' has a broader significance. *If offered by one (who in no way competes for it) to the successful contestant in a [feat] of mental or physical skill, it is not generally condemned as gambling*, while if contested for in a game of cards or other games of chance, it is so considered. [Citation omitted.] *It is also banned as gambling if created as in this case by paying admissions to the game, purchasing certificates, or otherwise contributing to a fund from which the 'purse, prize, or premium' contested for is paid, and wherein the winner gains, and the other contestants lose all.*⁴² [Emphasis added.]

However, in a 1990 opinion, Attorney General Butterworth, again citing *Creash v. State*, determined that a contest of skill (such as a hole-in-one golf contest) “where the contestant pays an entry fee, which *does not make up* (i.e., create) *the prize*, for the opportunity to win a valuable prize by the exercise of skill, *did not violate the gambling laws of [Florida]*.”⁴³ (Emphasis in original.) That 1990 opinion reasoned, “[t]hus, the payment of an entry fee to participate in a contest of skill when the sponsor of the contest does not participate in the contest of skill and where the prize money does not consist of entry fees would *not* appear to be a ‘stake, bet or wager’” in violation of s. 849.14, F.S., relating to gambling. (Emphasis added.)⁴⁴

Class III Gaming under the Indian Gaming Regulatory Act

Fantasy contests, if classified as Class III gaming, also could affect the revenue sharing provisions of the 2010 Gaming Compact.⁴⁵ Under the compact if fantasy contests are a form of new Class III gaming in Florida, payments due to the state under the compact would cease.⁴⁶

Gambling on Indian lands is regulated by the Indian Gaming Regulatory Act of 1988 (IGRA).⁴⁷ The 2010 Gaming Compact authorizes the Seminole Tribe to conduct specified Class III gaming activities at its seven tribal facilities in Florida.⁴⁸

⁴² See *Creash v. State*, 179 So. 149, 152 (Fla. 1938).

⁴³ See Fla. AGO 90-58 (Jul. 27 1990) at

<http://www.myfloridalegal.com/ago.nsf/Opinions/DEF7C36F0D75C323852563D2007AA34C> (last visited Jan. 11, 2018).

⁴⁴ *Id.*

⁴⁵ See paragraph A of Part XII of the 2010 Gaming Compact at

http://www.myfloridalicenses.com/dbpr/pmw/documents/2010_Compact-Signed1.pdf (last visited Jan. 11, 2018).

⁴⁶ See paragraph A of Part XII of the 2010 Gaming Compact at pages 39-40 at

http://www.myfloridalicenses.com/dbpr/pmw/documents/2010_Compact-Signed1.pdf (last visited Jan. 11, 2018).

⁴⁷ See Pub. L. 100-497, 102 Stat. 2467, codified at 18 U.S.C. ss. 1166-1168 and 25 U.S.C. s. 2701 *et seq.*

⁴⁸ See paragraph F of Part III of the 2010 Gaming Compact at http://www.flsenate.gov/PublishedContent/Committees/2016-2018/RI/Links/2015_Gaming_Compact_Chart_and_Letter_from_Governor_Scott.pdf (last visited Jan. 11, 2018). The Tribe has three gaming facilities in Broward County (The Seminole Indian Casinos at Coconut Creek and Hollywood, and the Seminole Hard Rock Hotel & Casino-Hollywood), and gaming facilities in Collier County (Seminole Indian Casino-

Under IGRA, gaming is categorized in three classes:

- **Class I** gaming means social games for minimal value or traditional forms of Indian gaming engaged in by individuals for tribal ceremonies or celebrations;
- **Class II** gaming includes bingo and pull-tabs, lotto, punch boards, tip jars, instant bingo, other games similar to bingo, and certain non-banked card games if not explicitly prohibited by the laws of the state and if played in conformity with state law; and
- **Class III** gaming includes all forms of gaming that are not Class I or Class II gaming, such as banked card games (such as baccarat, chemin de fer, and blackjack⁽²¹⁾), casino games such as craps and roulette, electronic or electromechanical facsimiles of games of chance, slot machines, and pari-mutuel wagering.⁴⁹

If fantasy contests are gaming, constitute Class III gaming under federal law, and constitute *new* Class III gaming in Florida (i.e., gaming not in operation as of February 1, 2010, or July 1, 2015, respectively), then authorizing fantasy contests in Florida (i.e., additional Class III gaming) violates the exclusivity provisions in the 2010 Gaming Compact and the Proposed 2015 Gaming Compact. As a result, certain revenue sharing requirements would not apply, and the Seminole Tribe would be authorized to offer similar internet/on-line gaming.

In a letter to Senator Travis Hutson and Representative Mike La Rosa dated December 5, 2017,⁵⁰ Jim Shore, General Counsel for the Seminole Tribe, indicated:

The Tribe believes the games permitted by these bills [HB 223 and SB 374 (Fantasy Contests), and SB 840 (Gaming)] would violate the Tribe's exclusivity, as set forth in Part XII of the 2010 Gaming Compact between the State and Tribe. By providing this notice, the Tribe hopes to avoid a situation where the State enacts legislation that inadvertently violates the Tribe's exclusivity. That said, the Tribe and the State have discussed the issue of fantasy sports contests in previous compact negotiations and the Tribe remains willing to do so now. However, federal law requires that any reduction in the Tribe's exclusivity must be balanced by some additional consideration from the State. Without such an agreement, the 2010 Gaming Compact would allow the Tribe to cease all revenue sharing payments to the State based on the expanded gaming contemplated by these bills.

Immokalee), Glades County (Seminole Indian Casino-Brighton), Hendry County (Seminole Indian Casino-Big Cypress), and Hillsborough County (Seminole Hard Rock Hotel & Casino-Tampa). The 2010 Gaming Compact was approved by the U.S. Department of the Interior effective July 6, 2010. See 75 Fed. Reg. 38833-38834 at <https://www.gpo.gov/fdsys/pkg/FR-2010-07-06/pdf/2010-16213.pdf> (last visited Jan. 11, 2018). See http://www.flsenate.gov/PublishedContent/Committees/2016-2018/RI/Links/2015_Gaming_Compact_Chart_and_Letter_from_Governor_Scott.pdf (last visited Jan. 11, 2018).

⁴⁹ See Pub. L. 100-497, 102 Stat. 2467, codified at 18 U.S.C. ss. 1166-1168 and 25 U.S.C. s. 2701 *et seq.*

⁵⁰ See Letter from Jim Shore, General Counsel for the Seminole Tribe, to Senator Travis Hutson and Representative La Rosa (Dec. 5, 2017) (on file with the Senate Committee on Regulated Industries).

The National Indian Gaming Commission (commission) issued an opinion dated March 13, 2001,⁵¹ relating to a sports betting game proposed for future play in Arizona and California via the Internet. In that sports betting game, players could wager upon various sporting *events*, including NFL football, baseball, golf, and the Olympics. The commission determined that game to be Class III gaming because it was not included within the definitions of Class I or Class II gaming under IGRA.

The Professional and Amateur Sports Protection Act of 1992 (PASPA)

In 1992, the U.S. Congress enacted the Professional and Amateur Sports Protection Act (PASPA),⁵² which provides that it is unlawful for a governmental entity or any person to sponsor, operate, advertise, or promote:

a lottery, sweepstakes, or other betting, gambling, or wagering scheme based . . . on one or more competitive games in which amateur or professional athletes participate, or are intended to participate, or on one or more performances of such athletes in such games.⁵³

The prohibited activity is known generally as “sports betting.” Governmental entities are also prohibited from licensing such activities or authorizing them by law or compact.⁵⁴ However, PASPA does not apply to pari-mutuel animal racing or jai alai games.⁵⁵ It does not apply to a lottery, sweepstakes, or other betting, gambling, or wagering conducted by a governmental entity between January 1, 1976, and August 31, 1990.⁵⁶

The prohibition against sports betting also does not apply to a lottery, sweepstakes, or other betting, gambling, or wagering lawfully conducted, where such activity was authorized by law on October 2, 1991, and was conducted in a state or other governmental entity at any time between September 1, 1989, and October 2, 1991.⁵⁷

In a case pending before the United States Supreme Court, the State of New Jersey has challenged the constitutionality of PASPA, on the basis that PASPA “commandeers” or impermissibly controls the regulatory power of states relating to the legalization of sports betting, thereby violating the Tenth Amendment to the U.S. Constitution.⁵⁸ The respondents (the

⁵¹ See <https://www.nigc.gov/images/uploads/game-opinions/WIN%20Sports%20Betting%20Game-Class%20III.pdf> (last visited Jan. 11, 2018).

⁵² See 28 U.S.C. ss. 3701-3704 (2015), at <https://www.govinfo.gov/content/pkg/USCODE-2015-title28/html/USCODE-2015-title28.htm> (last visited Jan. 11, 2018).

⁵³ See 28 U.S.C. s. 3702 (2015), at <https://www.govinfo.gov/content/pkg/USCODE-2015-title28/html/USCODE-2015-title28.htm> (last visited Jan. 11, 2018).

⁵⁴ *Id.*

⁵⁵ See 28 U.S.C. s. 3704(a)(4) (2015), at <https://www.govinfo.gov/content/pkg/USCODE-2015-title28/html/USCODE-2015-title28.htm> (last visited Jan. 11, 2018).

⁵⁶ See 28 U.S.C. s. 3704(a)(1) (2015), at <https://www.govinfo.gov/content/pkg/USCODE-2015-title28/html/USCODE-2015-title28.htm> (last visited Jan. 11, 2018).

⁵⁷ See 28 U.S.C. s. 3704(a)(2) (2015), at <https://www.govinfo.gov/content/pkg/USCODE-2015-title28/html/USCODE-2015-title28.htm> (last visited Jan. 11, 2018).

⁵⁸ See *Christie v. National Collegiate Athletic Association*, Docket No. 16-476, (*Christie*) at <http://www.scotusblog.com/cases/cases/christie-v-national-collegiate-athletic-association-2/> (last visited Jan. 11, 2018). Oral argument in the case was held on December 4, 2017.

National Collegiate Athletic Association, the National Basketball Association, the National Football League, the National Hockey League, and the Office of the Commissioner of Baseball) defend PASPA's pre-emption of state laws that authorize sports gambling as a valid exercise of congressional power to regulate commerce.⁵⁹ The Court's decision in the case is anticipated no later than June 29, 2018.

The Unlawful Internet Gambling Enforcement Act of 2006 (UIGEA)

The Unlawful Internet Gambling Enforcement Act of 2006 (UIGEA)⁶⁰ was signed into law by President George W. Bush on October 13, 2006.⁶¹ Internet gambling is not determined to be legal in a state, nor illegal. Instead, UIGEA targets financial institutions in an attempt to prevent the flow of money from an individual to an internet gaming company. Congress found that enforcement of gambling laws through new mechanisms "are necessary because traditional law enforcement mechanisms are often inadequate for enforcing gambling prohibitions or regulations on the Internet, especially where such gambling crosses State or national borders."⁶² UIGEA expressly states that none of its provisions "shall be construed as altering, limiting, or extending any Federal or State law or Tribal-State compact prohibiting, permitting, or regulating gambling within the United States."⁶³

"Unlawful internet gambling" prohibited by UIGEA includes the placement, receipt, or transmission of certain bets or wagers.⁶⁴ However, the definition of the term "bet or wager" specifically excludes any fantasy game or contest in which a fantasy team is not based on the current membership of a professional or amateur sports team, and:

- All prizes and awards are established and made known to the participants in advance of the game or contest;
- Prize amounts are not based on the number of participants or the amount of entry fees;
- Winning outcomes reflect the relative knowledge and skill of the participants and are determined predominantly by accumulated statistical results of the performance of individuals or athletes in multiple "real-world sporting or other events;" and
- No winning outcome is based:
 - On the score, point-spread, or any performance or performances of any single "real-world" team or combination of teams; or
 - Solely on any single performance of an individual athlete in any single "real-world sporting or other event."⁶⁵

While UIGEA excludes bets or wagers of participants in certain fantasy sports games and contests,⁶⁶ it does not, however, authorize fantasy contests and activities in Florida.

⁵⁹ See the respondents' Brief in Opposition at <http://www.scotusblog.com/wp-content/uploads/2016/12/16-476-16-477-BIO.pdf> at page 17 (last visited Jan. 11, 2018).

⁶⁰ See <https://www.gpo.gov/fdsys/pkg/USCODE-2011-title31/pdf/USCODE-2011-title31-subtitleIV-chap53.pdf>, (UIGEA online) at page 46 (last visited Jan. 11, 2018).

⁶¹ The provisions of UIGEA were adopted in Conference Committee as an amendment to H.R. 4954 by Representative Daniel E. Lungren (CA-3), "The SAFE Ports Act of 2006."

⁶² See 31 U.S.C. s. 5361(a)(4), [UIGEA online](#), at page 46.

⁶³ See 31 U.S.C. s. 5361(b).

⁶⁴ See 31 U.S.C. s. 5362(10), [UIGEA online](#), at page 48.

⁶⁵ See 31 U.S.C. s. 5362(E)(ix), [UIGEA online](#), at page 47.

⁶⁶ *Id.*

Effect of Proposed Changes:

Section 3 creates s. 546.13, F.S., to authorize certain fantasy contests in which participants must pay an entry fee. Section 546.13(1), F.S., provides requirements for fantasy contests and associated definitions.

“Entry fee” means cash or a cash equivalent required to be paid by a person for the ability to participate in a fantasy contest offered by a fantasy contest operator.

“Fantasy contest operator” means a person or entity, including any employee or agent, that offers fantasy contests with an entry fee for a cash prize but is not a participant in the fantasy contest. The term does not include an individual who serves as the commissioner of no more than 10 fantasy contests in a calendar year. The term “commissioner” is not defined in the bill, but has been used in the context of fantasy baseball leagues to denote a person who manages a fantasy baseball league, establishes league rules, resolves disputes over rule interpretations, and publishes league standings or selects the Internet service for publication of league standings.⁶⁷

A “fantasy contest” is a fantasy or simulated game in which:

- The value of all prizes and awards offered to winning participants must be established and disclosed to the participants in advance of the contest;
- All winning outcomes reflect the relative knowledge and skill of contest participants and are determined predominantly by accumulated statistical results of the performance of individuals, including athletes in the case of sporting events; and
- No winning outcome is based:
 - On the score, point spread, or any performance or performances of any single actual team or combination of teams;
 - Solely on any single performance of an individual athlete or player in any single actual event; or
 - On the performances of participants in collegiate, high schools, or youth sporting events.

The bill provides that the Department of Business and Professional Regulation (DBPR) may not regulate fantasy contests and the offenses in ss. 849.01, 849.08, 849.09, 849.11, 849.14, or 849.25, F.S., relating to gambling, lotteries, games of chance, contests of skill, or bookmaking do not apply to a fantasy contest operated or conducted by:

- A fantasy contest operator; or
- A natural person, who is a participant in the fantasy contest, serves as the commissioner of not more than ten contests in a calendar year, and distributes all contest entry fees as prizes or awards to the participants in that fantasy contest.

If the 2018 Gaming Compact between the Seminole Tribe and the state, which is ratified in Section 1 of this bill, becomes effective, the provisions in this bill relating to fantasy contests will not cause any impact to the revenues to be paid to the state by the Seminole Tribe because fantasy contests, as authorized under this bill, are excluded from the consequences associated

⁶⁷ See Bernhard & Eade, *Gambling in a Fantasy World: An Exploratory Study of Rotisserie Baseball Games*, 9 UNLV Gaming Research & Review Journal Issue 1, at 30, at <http://digitalscholarship.unlv.edu/grrj/vol9/iss1/3/>, (last visited Jan. 11, 2018).

with any future authorization of internet gaming and are an exception to the exclusivity granted to the Seminole Tribe under that compact.

Regulation of Pari-Mutuel Wagering (Section 4)

Present Situation:

The Division of Pari-mutuel Wagering (division) in the Department of Business and Professional Regulation (DBPR) regulates pari-mutuel wagering. The division has regulatory oversight of permitted and licensed pari-mutuel wagering facilities, cardrooms located at pari-mutuel facilities, and slot machines at pari-mutuel facilities located in Miami-Dade and Broward counties. According to the division, there were 10 license suspensions, and \$107,655 in fines assessed for violations of all pari-mutuel statutes and administrative rules in Fiscal Year 2015-2016.⁶⁸

According to the latest information available from the DBPR, as of February 2017, there were 39 pari-mutuel permitholders with operating licenses⁶⁹ in Florida, operating at 12 greyhound tracks, six jai alai frontons, five quarter horse tracks, three thoroughbred tracks, and one harness track.⁷⁰ One jai alai permitholder voluntarily relinquished its permit in 2016.⁷¹ Jai alai games were conducted pursuant to a new permitholder license beginning in June 2017 at a new jai alai fronton in Florida City (Miami-Dade County).⁷²

Of the 19 greyhound racing permitholders with operating licenses during Fiscal Year 2016-2017, six permitholders conducted races at leased facilities.⁷³ Five pari-mutuel facilities have two

⁶⁸ See the 85th Annual Report for Fiscal Year 2015-2016 (the most current report) issued by the division *available at* <http://www.myfloridalicense.com/dbpr/pmw/documents/AnnualReports/AnnualReport-2015-2016--85th--20170125.pdf> (last visited Jan. 11, 2018) at page 5 (equivalent to page 3 of the printed Annual Report).

⁶⁹ See Pari-Mutuel Wagering Permitholders With 2016-2017 Operating Licenses map dated Feb. 10, 2017, (on file with Senate Committee on Regulated Industries).

⁷⁰ *Id.*

⁷¹ *Id.* at page 8 (equivalent to page 6 of the printed Annual Report), and *see* the Stipulation and Consent Order, *available at* <http://www.floridagamingwatch.com/wp-content/uploads/Hamilton-Jai-Alai-Consent-Order.pdf> (last visited Jan. 11, 2018).

⁷² See <http://www.myfloridalicense.com/dbpr/pmw/documents/Licenses/2017-2018-j/284--License--KingsCourtKey--2017-2018--2017-03-15.pdf> (last visited Jan. 11, 2018).

⁷³ According to information in the 2015-2016 Annual Report from the Division of Pari-Mutuel Wagering, *available at* <http://www.myfloridalicense.com/dbpr/pmw/documents/AnnualReports/AnnualReport-2015-2016--85th--20170125.pdf>, at pp. 29 - 33 of the online Annual Report (equivalent to pp. 25 - 29 the printed Annual Report), (last visited Jan. 11, 2018), both Jacksonville Kennel Club and Bayard Raceways (St. Johns Greyhound Park) conduct races at Orange Park Kennel Club; H&T Gaming conducts racing at Mardi Gras; Palm Beach Greyhound Racing conducts racing at Palm Beach Kennel Club; Tampa Greyhound conducts races at St. Petersburg Kennel Club (Derby Lane); West Volusia Racing conducts races at Daytona Beach Kennel Club; Dania Summer Ja Alai conducts games at Dania Jai Alai; Tropical Park conducts races at Gulfstream Park.

permits operating at those locations.⁷⁴ One greyhound racing permitholder's operating license was suspended late in 2014.⁷⁵

There are 11 permitholders that do not have operating licenses for Fiscal Year 2017-2018: two greyhound,⁷⁶ three jai alai,⁷⁷ one limited thoroughbred,⁷⁸ and five quarter horse.⁷⁹

Issuance of Pari-Mutuel Permits and Annual Licenses

Section 550.054, F.S., provides that any person meeting the qualification requirements of ch. 550, F.S., may apply to the division for a permit to conduct pari-mutuel wagering. Upon approval, a permit must be issued to the applicant that indicates:

- The name of the permitholder;
- The location of the pari-mutuel facility;
- The type of pari-mutuel activity to be conducted; and
- A statement showing qualifications of the applicant to conduct pari-mutuel performances under ch. 550, F.S.

A permit does not authorize any pari-mutuel performances until approved by a majority of voters in a ratification election in the county in which the applicant proposes to conduct pari-mutuel wagering activities. An application may not be considered, nor may a permit be issued by the division or be voted upon in any county, for the conduct of:

- Harness horse racing, quarter horse racing, thoroughbred horse racing, or greyhound racing at a location within 100 miles of an existing pari-mutuel facility; or
- Jai alai games within 50 miles of an existing pari-mutuel facility.

Distances are measured on a straight line from the nearest property line of one pari-mutuel facility to the nearest property line of the other facility.⁸⁰

After issuance of the permit and a ratification election, the division may issue an annual operating license for wagering at the specified location in a county, indicating the time, place,

⁷⁴ The division indicated that H & T Gaming @ Mardi Gras and Mardi Gras operate at a facility in Hallandale Beach, Daytona Beach Kennel Club and West Volusia Racing-Daytona operate at a facility in Daytona Beach, Palm Beach Kennel Club and License Acquisitions-Palm Beach operate at a facility in West Palm Beach, Miami Jai Alai and Summer Jai Alai operate at a facility in Miami, and Sanford-Orlando Kennel Club and Penn Sanford at SOKC operate at a facility in Longwood.

⁷⁵ See <http://www.myfloridalicense.com/dbpr/pmw/documents/CurrentPermitholdersList.pdf> (last visited Jan. 11, 2018) for a list of current permitholders and their licensing status. For information about permitholders for Fiscal Years 2013-2014, 2014-2015, and 2015-2016, see <http://www.myfloridalicense.com/dbpr/pmw/track.html> (last visited Jan. 11, 2018).

⁷⁶ Jefferson County Kennel Club (Monticello) and North American Racing Association (Key West).

⁷⁷ Gadsden Jai-alai (Chattahoochee), Tampa Jai Alai, and West Flagler Associates (Miami).

⁷⁸ Under s. 550.3345, F.S., during Fiscal Year 2010-2011 only, holders of quarter horse racing permits were allowed to convert their permits to a thoroughbred racing permit, conditioned upon specific use of racing revenues for enhancement of thoroughbred purses and awards, promotion of the thoroughbred horse industry, and the care of retired thoroughbred horses. Two conversions occurred, Gulfstream Park Thoroughbred After Racing Program (GPTARP) (Hallandale, Broward County), and Ocala Thoroughbred Racing (Marion County).

⁷⁹ ELH Jefferson (Jefferson County), DeBary Real Estate Holdings (Volusia County), North Florida Racing (Jacksonville), Pompano Park Racing (Pompano Beach), and St. Johns Racing (St. Johns County).

⁸⁰ See s. 550.054(2), F.S.

and number of days during which pari-mutuel operations may be conducted at the specified location.⁸¹

The Definition of a “Full Schedule of Live Racing or Games”

Current law provides complex requirements for what constitutes a “full schedule of live racing or games:”

- For a greyhound or jai alai permitholder, at least 100 live evening or matinee performances during the preceding year;
- For a permitholder who has a converted permit . . . at least 100 live evening and matinee wagering performances during either of the two preceding years;
- For a jai alai permitholder who does not operate slot machines . . ., who has conducted at least 100 live performances per year for at least 10 years after December 31, 1992, and whose handle on live jai alai games . . . has been less than \$4 million per state fiscal year for at least two consecutive years after June 30, 1992, . . . at least 40 live evening or matinee performances during the preceding year;
- For a jai alai permitholder who operates slot machines . . ., at least 150 performances during the preceding year;
- For a harness permitholder, the conduct of at least 100 live regular wagering performances during the preceding year;
- For a quarter horse permitholder at its facility unless an alternative schedule of at least 20 live regular wagering performances is agreed upon by the permitholder and either the Florida Quarter Horse Racing Association or the horsemen’s association representing the majority of the quarter horse owners and trainers at the facility and filed with the division along with its annual date application, in the Fiscal Year 2010-2011, . . . at least 20 regular wagering performances, in Fiscal Year 2011-2012 and Fiscal Year 2012-2013, . . . at least 30 live regular wagering performances, and for every fiscal year after Fiscal Year 2012-2013, . . . at least 40 live regular wagering performances;
- For a quarter horse permitholder leasing another licensed racetrack, the conduct of 160 events at the leased facility;
- For a thoroughbred permitholder, the conduct of at least 40 live regular wagering performances during the preceding year; and
- For a permitholder restricted by statute to certain operating periods within the year when other similar permitholders are authorized to operate throughout the year, the specified number of live performances which constitute a full schedule of live racing or games is calculated pro rata based on the authorized operating period and the full calendar year, and the resulting number of live performances is the full schedule of live games for such permitholder and all other permitholders of the same class within 100 air miles of such permitholder.⁸²

A “performance” is a minimum of eight consecutive live races.⁸³ At least three live performances must be held at a track each week.⁸⁴ When a permitholder conducts at least three live

⁸¹ See s. 550.054(9)(a), F.S.

⁸² See s. 550.002(11), F.S.

⁸³ Section 550.002(25), F.S.

⁸⁴ Section 550.002(11), F.S.

performances in a week,⁸⁵ it must pay purses (cash prizes to participants) on wagers accepted at the track on certain greyhound races run at other tracks (in Florida or elsewhere).⁸⁶ In order to receive an operating license, permitholders must have conducted a full schedule of live racing during the preceding year.⁸⁷

If a permitholder does not conduct all of the performances specified in its operating license, the division may determine whether to fine the permitholder or suspend⁸⁸ the license, unless the failure is due to certain events beyond the permitholder's control. Financial hardship itself is not an acceptable basis to avoid a fine or suspension.⁸⁹

The conduct of a full schedule of live racing or games is a condition of licensure for a slot machine licensee,⁹⁰ and the conduct of a minimum number of live races is a condition of renewal for a cardroom license.⁹¹

Effect of Proposed Changes:

License Applications by Permitholders and Decoupling

Section 4 amends s. 550.01215, F.S., relating to operating license applications filed annually with the division by pari-mutuel permitholders for licenses for the next fiscal year (July 1 through June 30).

In general, permitholders, including those that do not conduct live performances, are required to file an application for a license to conduct pari-mutuel wagering, including intertrack wagering and simulcast wagering. Permitholders accepting wagers on intertrack and simulcast events are required to disclose the dates of all those events in their license application. For the 2018-2019 Fiscal Year only, the division may approve changes in racing dates for permitholders, if the requests are received before May 31, 2018.

Greyhound Racing Permitholders

Certain greyhound racing permitholders⁹² are authorized to specify in their operating license applications that they will not conduct live racing or will conduct less than a full schedule of live racing or games (i.e., decouple), while they continue to operate their licensed slot machine

⁸⁵ The performances may be during the day or in the evenings, as set forth in the schedule that is part of the operating license issued by the division.

⁸⁶ Section 550.09514(2)(c), F.S.

⁸⁷ Section 550.002(11), F.S. In accordance with s. 550.002(38), F.S., a full schedule of live racing is calculated from July 1 to June 30, the state fiscal year.

⁸⁸ After Jefferson County Kennel Club failed to conduct scheduled performances, its operating license was suspended September 22, 2014 under a consent order available at <http://www.myfloridalicense.com/dbpr/pmw/documents/Licenses/PMW--Consent Order--JEFFERSON COUNTY KENNEL CLUB INC--146--2014-09-23--20141023.pdf> (last visited Jan. 11, 2018).

⁸⁹ Section 550.01215(4), F.S.

⁹⁰ Section 551.104(4)(c), F.S.

⁹¹ Section. 849.086(5)(b), F.S.

⁹² Those that conducted a full schedule of live racing for a period of at least 10 consecutive state fiscal years after the state Fiscal Year 1996-1997, or that converted a permit to a permit to conduct greyhound racing after that state fiscal year.

facilities and/or cardrooms, if any, pursuant to ch. 551, F.S., and s. 849.086, F.S., as amended by the bill.

Decoupled greyhound permitholders retain their pari-mutuel permits, are pari-mutuel facilities as defined in s. 550.002(23), and remain eligible, but not required, to be a guest track for purposes of intertrack wagering and simulcasting.

Harness Horse Racing and Quarter Horse Racing Permitholders

Section 4 provides that harness horse racing permitholders and quarter horse racing permitholders that have conducted live racing for at least five years may discontinue live racing (i.e., decouple), if the irrevocable election to discontinue live racing is made during the 30-day period after the effective date of the bill.

A harness horse racing permitholder or quarter horse racing permitholder that makes the irrevocable election to decouple may retain its permit and is a pari-mutuel facility as defined in s. 550.002(23), F.S.

A decoupled harness horse racing permitholder is eligible, but not required, to be a *host* track for purposes of intertrack wagering and simulcasting; a decoupled quarter horse racing permitholder is eligible, but not required, to be a *guest* track for purposes of intertrack wagering and simulcasting.

Section 4 provides that a decoupled harness horse racing permitholder or a decoupled quarter horse racing permitholder may continue to operate its slot machine facility, if any, and cardroom, if any, pursuant to ch. 551, F.S., and s. 849.086, F.S., as amended by the bill.

If the 2018 Gaming Compact between the Seminole Tribe and the state, which is ratified in Section 1 of this bill, becomes effective, the provisions in this bill relating to decoupling will not cause any impact to the revenues to be paid to the state by the Seminole Tribe because the decoupling of greyhound racing permitholders, quarter horse racing permitholders and harness horse racing permitholders is permitted under that compact and is not a violation of the exclusivity granted to the Seminole Tribe under that compact.

Prohibition on Issuance of Additional Pari-Mutuel Permits, Revocation of Dormant Permits, and Repeal of the Authority to Issue New Summer Jai Alai Permits

Present Situation:

The permit of a harness horse permitholder or thoroughbred horse permitholder that does not pay tax on handle for live performances for a full schedule of live races during any two consecutive state fiscal years is void and escheats to and becomes property of the state, unless the failure to operate and pay tax on handle is the direct result of fire, strike, war, or other disaster or event beyond the ability of the permitholder to control.⁹³ Financial hardship of the permitholder does not constitute just cause for either failure.⁹⁴

⁹³ See s. 550.09512(3), F.S. and s. 550.09515(3), F.S.

⁹⁴ *Id.*

An escheated harness horse permit or thoroughbred horse permit must be reissued by the division to a qualified applicant, using the procedures mandated for issuance of an initial permit. The requirements for a referendum before issuance of a pari-mutuel permit do not apply to reissuance of an escheated harness horse or thoroughbred horse permit.⁹⁵

Pursuant to s. 550.054(9)(b), F.S., the division may revoke or suspend any permit or license upon the willful violation by the permitholder or licensee of any provision of ch. 550, F.S., or any administrative rule adopted by the division.

Section 550.0745 authorizes, under certain circumstances, the conversion of a pari-mutuel permit to a summer jai alai permit, for the conduct of jai alai games only during the summer season. Provisions of law prohibiting the location and operation of jai alai frontons within a specified distance from the location of another jai alai fronton or other permitholder, which prohibit the division from granting any permit at a location within a certain designated area, are inapplicable to summer jai alai permits issued pursuant to s. 550.0745, F.S.

The issuance of limited thoroughbred racing permits (through conversion from a quarter horse permit) is authorized in s. 550.3345, F.S. A limited thoroughbred racing permit authorizes the conduct of live thoroughbred horseracing, with net revenues dedicated to the enhancement of thoroughbred purses and breeders', stallion, and special racing awards under ch. 550, F.S., promotion of the thoroughbred horse breeding industry, and the care of retired thoroughbred horses in Florida.

Effect of Proposed Changes:

Section 5 amends s. 550.054, F.S., relating to applications for pari-mutuel wagering permits, to:

- Require the division to revoke a permit if the permitholder: (a) has not obtained an operating license for a period of more than 24 consecutive months after June 30, 2012, or (b) fails to make payments for taxes due on handle for more than 24 months, unless the failure to obtain an operating license was the direct result of fire, strike, war, or other disaster or event beyond the permitholder's control. Financial hardship of the permitholder does not constitute just cause for either failure. A revoked permit may not be reissued.
- Provide that a new pari-mutuel permit may not be approved or issued after January 1, 2018.
- Provide that a pari-mutuel license may not be transferred or reissued so as to change the location of a pari-mutuel facility, cardroom, or slot machine facility.
- Delete authority for the transfer of a thoroughbred permit to another racetrack and for conversion of a jai alai permit to a greyhound racing permit, except through the relocation of the pari-mutuel permit pursuant to s. 550.0555, F.S.
- Repeal provisions authorizing conversion and relocation of pari-mutuel permits, cardrooms, or slot machine facilities.

Section 6 repeals s. 550.0745, F.S., relating to summer jai alai permits.

⁹⁵ See ss. 550.09512(3)(b) and 550.09515(3)(b), F.S.

Sections 7 and 8 amend s. 550.09512, F.S., relating to harness horse racing, and s. 550.09515, F.S., relating to thoroughbred racing, respectively, to:

- Require the division to revoke a harness or thoroughbred horse racing permit that has not paid the tax due on the handle for a full live schedule of harness or thoroughbred racing for more than 24 consecutive months, unless the failure to operate and pay tax was the direct result of fire, strike, war, or other disaster or event beyond the permitholder's control. A revoked permit is void and may not be reissued.
- Repeal a provision allowing reissuance of a revoked harness or thoroughbred horse permit that has been revoked for nonpayment of taxes.

Section 9 amends s. 550.3345, F.S., to delete provisions authorizing conversion of quarter horse racing permits to limited thoroughbred racing permits.

Slot Machine Gaming and Decoupling (Sections 10 and 11)

Present Situation:

Chapter 551, F.S., authorizes slot machine gaming at the location of certain licensed pari-mutuel locations in Miami-Dade County or Broward County and provides for state regulation.⁹⁶

Currently eight facilities in Miami-Dade and Broward counties are authorized to operate slot machines. Voters in each county approved slot machine facilities after an amendment to the state Constitution was approved in 2004.⁹⁷

Section 550.475, F.S., allows a pari-mutuel permitholder with a valid permit for the conduct of any jai alai games, greyhound racing, or thoroughbred and harness (Standardbred) horse racing in this state to lease any and all of its facilities to any other permitholder of a same class with a valid permit, when located within a 35-mile radius of each other, and the lessee is entitled to a permit and license to operate its race meet or jai alai games at the leased premises.

Effect of Proposed Changes:

Section 10 revises conditions for licensure and for maintaining continued authority for conducting slot machine gaming to reflect that certain pari-mutuel permitholders are authorized to discontinue conducting live racing or games (i.e., decouple). Section 10 authorizes a permitholder with a slot machine license to receive an operating license to conduct pari-mutuel wagering activities at another pari-mutuel facility, if the permitholder has operated its live races or games by lease for at least five consecutive years immediately prior to the permitholder's application for a slot machine license; however, the permitholders must be located within 35 miles of each other.⁹⁸

Section 10 requires a slot machine licensee that chooses not to run a full schedule of live racing or games, (i.e., decouple), to make payments for the benefit of live thoroughbred horse racing purses. If a slot machine licensee is not running a full schedule of live racing or games under its pari-mutuel permit, then the decoupled licensee must remit each month to each qualified

⁹⁶ See ch. 551, F.S., relating to the regulation of slot machine gaming at pari-mutuel locations.

⁹⁷ See FLA. CONST., art. IX, s. 23 (1968).

⁹⁸ See s. 550.475, F.S., and lines 267 to 285 of the bill.

thoroughbred permitholder, by the fifth day of each calendar month⁹⁹ via electronic funds transfer instructions provided by the permitholder, an amount equal to one-twelfth of the lesser of \$1.5 million or 2.75 percent of the permitholder's prior fiscal year slots revenue, divided by the total number of qualified thoroughbred permitholders for that fiscal year. A qualified thoroughbred permitholder must use such payments exclusively for purses and awards for live thoroughbred horse races held at that permitholder's racing facility.

The term "qualified thoroughbred permitholder":

- Does not include limited thoroughbred permitholders or thoroughbred permitholders leasing a racetrack facility from another thoroughbred permitholder.
- Includes thoroughbred permitholders conducting no less than a full schedule of live racing, and no fewer than the number of performances conducted in Fiscal Year 2017-2018.

The division must, within 15 days of issuing a slot machine license to a decoupled permitholder, notify the licensee of the qualified thoroughbred permitholders to which payments must be paid. A qualified thoroughbred permitholder that receives those funds must remit, within 10 days of receipt, ten percent of the funds to the Florida Thoroughbred Breeders' Association, Inc., for payment of breeders', stallion, and special racing awards, subject to the fee authorized in s. 550.2625(3), F.S.¹⁰⁰

Slot Machines Tax Rate Reduction (Section 11)

Present Situation:

The tax rate on slot machine revenues is 35 percent under s. 550.106(2), F.S. If, during any state fiscal year, the aggregate amount of tax paid to the state by all slot machine licensees in Broward and Miami-Dade counties is less than the aggregate amount of tax paid to the state by all slot machine licensees in the 2008-2009 fiscal year, each slot machine licensee must pay to the state, within 45 days after the end of the state fiscal year, a surcharge equal to its pro rata share of an amount equal to the difference between the aggregate amount of tax paid to the state by all slot machine licensees in the 2008-2009 fiscal year and the amount of tax paid during the fiscal year that resulted in the revenue shortfall. All revenue from slot machine gaming is deposited into the Educational Enhancement Trust Fund of the Department of Education.

Effect of Proposed Changes:

Section 11 amends s. 551.106, F.S., to:

- Reduce the tax rate for slot machine revenues to 30 percent, effective January 1, 2018, and to 25 percent effective July 1, 2019.
- Require that if, in any state fiscal year, the aggregate amount of tax paid to the state by all the slot machine licensees in Broward and Miami-Dade counties is less than the aggregate amount paid in the 2017-2018 state fiscal year, each of those licensees must pay a surcharge calculated by dividing the aggregate amount of slot machine taxes paid to the state by all

⁹⁹ The bill provides if the fifth day of the calendar month falls on a weekend, the payment must be remitted on the first Monday following the weekend.

¹⁰⁰ Section 550.2625(3), F.S., states the Florida Thoroughbred Breeders' Association has the right to withhold up to 10 percent of a permitholder's payments under that section as a fee for administering the payments of awards and for general promotion of the horse racing industry.

such slot machine licensees in the 2017-18 fiscal year by the aggregate amount of slot machine taxes paid by all such licensees during the applicable fiscal year, multiplying the result by the amount of slot machine taxes paid by the licensee during the applicable state fiscal year, and then subtracting from that product the amount of slot machine taxes paid by the licensee during the applicable state fiscal year. However, the sum of taxes paid by a licensee at the reduced tax rates and any surcharge may not exceed 35 percent of the licensee's slot machine revenue in the applicable state fiscal year.

- Remove obsolete language relative to the slot machine license fee for Fiscal Year 2010-2011.

If the 2018 Gaming Compact between the Seminole Tribe and the state, which is ratified in Section 1 of this bill becomes effective, the provisions in this bill relating to the taxation of slot machine revenues will not cause any impact to the revenues to be paid to the state **by the Seminole Tribe** because the reduction of the tax on slot machine revenues is permitted under that compact and is not a violation of the exclusivity granted to the Seminole Tribe under that compact. Slot machine tax revenues are likely to be reduced by this provision.

Cardrooms and Designated Player Games (Section 12)

Present Situation:

Chapter 849, F.S., authorizes cardrooms at certain pari-mutuel facilities.¹⁰¹ In Fiscal Year 2017-2018, 25 cardrooms are authorized to operate.¹⁰² Cardrooms are operated by 14 greyhound permitholders, five jai alai permitholders, one harness horse racing permitholder, three quarter horse racing permitholders, and two thoroughbred racing permitholders.¹⁰³ A license to offer pari-mutuel wagering, slot machine gaming, or a cardroom at a pari-mutuel facility is a privilege granted by the state.¹⁰⁴

Section 849.086, F.S., provides that a licensed pari-mutuel permitholder that holds a valid pari-mutuel permit and license to conduct a full schedule of live racing or games may hold a cardroom license authorizing the operation of a cardroom and the conduct of authorized games at the cardroom. An authorized game is a game or series of games of poker or dominoes.¹⁰⁵ Such games must be played in a non-banking manner,¹⁰⁶ where the participants play against each

¹⁰¹ Section 849.086, F.S. Section 849.086(2)(c), F.S., defines "cardroom" to mean a facility where authorized games are played for money or anything of value and to which the public is invited to participate in such games and charges a fee for participation by the operator of such facility.

¹⁰² See <http://www.myfloridalicense.com/dbpr/pmw/PMW-PermitholderOperatingLicenses--2017-2018.html> (last visited Jan. 11, 2018).

¹⁰³ Cardroom locations, by class of permit held are: (1) greyhound racing: Bonita Springs (Lee Co.), Daytona Beach (Volusia Co.), Ebro (Washington Co.), Hallandale Beach (Broward Co.), Melbourne (Brevard Co.), Miami (Miami-Dade Co.) Orange Park (Clay Co.), Pensacola (Escambia Co.), St. Petersburg (Pinellas Co.), and West Palm Beach (Palm Beach Co.); (2) jai alai: Dania Beach (Broward Co.), Ft. Pierce (St. Lucie Co.), Florida City and Miami (Miami-Dade Co.), and Reddick (Marion Co.); (3) quarter horse: Gretna (Gadsden), Hialeah (Miami-Dade Co.) and Summerfield (Marion Co.); and (4) thoroughbred racing: Hallandale Beach (Broward Co.), and Tampa (Hillsborough Co.).

¹⁰⁴ See s. 550.1625(1), F.S., "...legalized pari-mutuel betting at dog tracks is a privilege and is an operation that requires strict supervision and regulation in the best interests of the state." See also *Solimena v. State*, 402 So.2d 1240, 1247 (Fla. 3d DCA 1981), review denied, 412 So.2d 470, which states "Florida courts have consistently emphasized the special nature of legalized racing, describing it as a privilege rather than as a vested right," citing *State ex rel. Mason v. Rose*, 122 Fla. 413, 165 So. 347 (1936).

¹⁰⁵ See s. 849.086(2)(a), F.S.

¹⁰⁶ *Id.*

other, instead of against the house (cardroom). At least four percent of the gross cardroom receipts of greyhound racing permitholders and jai alai permitholders must supplement greyhound purses, and quarter horse permitholders must have a contract with a horsemen's association governing the payment of purses on live quarter horse races conducted by the permitholder.¹⁰⁷

Renewal of a cardroom license requires that a permitholder must, in its annual pari-mutuel license application, request to conduct at least 90 percent of the performances conducted either (1) in the year in which its first cardroom license was issued, or (2) in the state fiscal year immediately prior to the application if a full schedule of live racing was conducted ("90 percent rule").¹⁰⁸ If more than one permitholder is operating at a facility, each permitholder must have applied for a license to conduct a full schedule of live racing.¹⁰⁹

Eleven of the 12 greyhound racing locations have cardrooms. As a result of the "90 percent rule," the required minimum of live performances varies among greyhound racing permitholders, from 93 to 394 performances.¹¹⁰

There is only one harness horse racing permitholder, and it has a cardroom. The permitholder must request authorization to conduct a minimum of 140 live performances during the state fiscal year immediately prior to its application for an operating license.¹¹¹ As a result of the "90 percent rule," the required minimum of live performances for the harness horse racing permitholder is 126 performances.¹¹²

Five of the six jai alai permitholders have cardrooms. As a result of the "90 percent rule," the required minimum of live performances varies among jai alai permitholders, from 36 to 150 performances.¹¹³

Three of the five quarter horse permitholders have cardrooms. As a result of the "90 percent rule," the required minimum of live performances varies among quarter horse permitholders, from 18 to 40 performances.¹¹⁴

Two of the three thoroughbred permitholders have cardrooms. As a result of the "90 percent rule," the required minimum of live performances varies among thoroughbred racing permitholders, from 40 to 81 performances.¹¹⁵

If more than one permitholder is operating at a facility, each permitholder must have applied for a license to conduct a full schedule of live racing.¹¹⁶

¹⁰⁷ See s. 849.086(13)(d), F.S.

¹⁰⁸ See s. 849.086(5)(b), F.S.

¹⁰⁹ *Id.*

¹¹⁰ Telephone interview with division staff (Jan. 23, 2017).

¹¹¹ See s. 849.086(5)(b), F.S.

¹¹² *Id.*

¹¹³ *Id.*

¹¹⁴ *Id.*

¹¹⁵ *Id.*

¹¹⁶ See s. 849.086(5)(b), F.S.

State Litigation Challenging DBPR's Administrative Rules Relating to Designated Player Games

In July 2014, the Division of Pari-Mutuel Wagering (division) of the Department of Business and Professional Regulation (DBPR) adopted two administrative rules relating to the play of Designated Player Games.¹¹⁷ Under the rules, a designated player game is not authorized if it is not played in compliance with house rules required to be available for review by players or the division, which must:

- Establish uniform requirements to be a designated player;
- Ensure that the dealer button rotates clockwise around the card table for each hand, so that all players desiring to be a designated player have the opportunity to do so; and
- Not require the designated player to cover all potential wagers.¹¹⁸

Banking games are defined in current law as those in which the house is a participant.¹¹⁹ Designated player¹²⁰ games, if conducted as defined in Rule 61D-11.002(5), Florida Administrative Code, were not considered by the DBPR to be banking games.

The division pursued additional rulemaking concerning Designated Player Games in September 2014, to “address issues discovered in the implementation and practical application of [the July 2014] cardroom rules.”¹²¹ In October 2015, the division proposed to repeal the rule defining the term “designated player” as “the player identified by the button in the dealer position” and the rule establishing the standards for Designated Player Games.¹²²

Various cardroom operators challenged the repeal of the rules in December 2015. In August 2016, Administrative Law Judge Gary Early of the Division of Administrative Hearings found:

The evidence is conclusive that, by its repeal of rule 61D-11.002(5), Respondent simply changed its mind as to whether playing with a designated player constituted the establishment of a prohibited banking game. [Footnote omitted.] It previously determined that such games were lawful under the terms of section 849.086 [F.S.]; it has now determined they are not.¹²³

Judge Early determined the division:

Has taken divergent views of the statute in a manner that has substantially affected the interests of [cardroom operators]. For [the division] to suggest

¹¹⁷ See Fla. Admin. Code R. 61D-11.001(17) and R. 61D-002(5) (2018) at <https://www.flrules.org/gateway/ChapterHome.asp?Chapter=61D-11> (last visited Jan. 11, 2018).

¹¹⁸ *Id.* and see Fla. Admin. Code R. 61D-11.002(3) and (5) (2017).

¹¹⁹ Section 849.086(2)(b), F.S.

¹²⁰ Fla. Admin. Code R. 61D-11.001(17) (2018) defines “designated player” as the “player identified by the button as the dealer in the player position.”

¹²¹ See *Dania Entertainment Center, LLC v. Dep't of Bus. and Prof. Reg., Div. of Pari-mutuel Wagering, (Dania Entertainment)* Case No. 15-7010RP (Fla DOAH 2016) at page 17. at <https://www.doah.state.fl.us/ROS/2015/15007010.pdf> (last visited Jan. 11, 2018).

¹²² *Id.* at p. 18.

¹²³ See *Dania Entertainment* at pp. 24-25.

that its repeal of the rules is a clarification, a simplification, or reflection of the unambiguous terms of the statute, and that [the cardrooms] should just tailor their actions to the statute without any interpretive guidance from [the division], works contrary to the role of government to provide meaningful and understandable standards for the regulation of business in Florida. [The division] cannot, with little more than a wave and well-wishes, expect regulated businesses to expose themselves to liability through their actions under a statute that is open to more than more one interpretation, when the agency itself has found it problematic to decipher the statute under which it exercises its regulatory authority.¹²⁴

In November 2017, the Florida First District Court of Appeal (DCA) affirmed Judge Early's ruling that the proposed repeal of the Designated Player Games rules was invalid.¹²⁵ The DCA stated the ruling correctly found that repeal of the rules was a rule itself because it was a change of the DBPR's policy on Designated Player Games¹²⁶ However, the DCA declined to adopt Judge Early's finding that the division "lacked the authority to either promulgate or to repeal rules" on Designated Player Games, noting that the role of the division "is to provide meaningful and understandable standards for cardrooms, particularly where a statute is ambiguous."¹²⁷

Federal Litigation Concerning the 2010 Gaming Compact and Banked Card Games (including Player Banked Card Games with a Designated Player) and Settlement

As discussed above in connection with the 2018 Gaming Compact authorized in this bill, the state and the Seminole Tribe were parties to litigation in federal court relating to the offering of table games by the Seminole Tribe after July 31, 2015.

As to the banked card games issue, Judge Hinkle found:

- The 2010 Gaming Compact defines 'Covered Games' to include 'banking or banked card games, including baccarat, chemin de fer, and blackjack (21);¹²⁸
- Under s. 849.086, F.S., licensed pari-mutuel facilities may operate cardrooms, but the statute explicitly forbids "banking" card games;¹²⁹
- Baccarat, chemin de fer, and blackjack are all games in which there is no common pot, and the players do not compete against one another;

¹²⁴ *Id.* at page 25.

¹²⁵ See *Dep't of Bus. and Prof. Reg., Div. of Pari-Mutuel Wagering v. Dania Entertainment Center, et al.* 229 So.3d 1259 (Fla. 1st DCA 2017) at https://edca.dca.org/DCADocs/2016/4275/164275_1284_11082017_08460223_i.pdf (last visited Jan. 11, 2018).

¹²⁶ *Id.* The DCA also affirmed the finding that the Division of Pari-Mutuel Wagering (division) of the DBPR failed to follow required rulemaking procedures by not preparing a statement of estimated regulatory costs (SERC). *Id.* at pp. 11-12.

¹²⁷ *Id.* at page 14.

¹²⁸ See *Seminole Tribe of Florida v. State of Florida*, 219 F.Supp. 3d 1177 (N.D. Fla. Nov. 9, 2016), Case No.: 4:15-cv-516-RH/CAS, Document 103, at pp. 4-5.

¹²⁹ *Id.* at p. 5, and see s. 849.086(12)(a), F.S. The court further held "[b]ecause of this statute, the Tribe's authority under the Compact to conduct banked card games afforded the Tribe the right to conduct bank card games without competition from cardrooms. This was perhaps the most important benefit the Tribe obtained under the Compact. **The most important benefit to the State was more than a billion dollars.** Because IGRA prohibits a state from receiving a share of a tribe's gaming revenue except to defray expenses or in exchange for a benefit conferred on the tribe, **the Tribe's billion-dollars-plus payments to the State under the Compact were justified in large part as compensation for the exclusive right to conduct banked card games** – exclusive, that is, except for any competition from other tribes or other types of games." *Id.* at pp. 5-6. (Emphasis added.)

- A bank pays the winners and collects from the losers;
- In baccarat and blackjack, the bank is most often a dealer employed by the facility – in effect, the facility itself, commonly denominated the ‘house;’
- In chemin de fer, the bank is always one of the players; and
- Under the 2010 Gaming Compact and [Indian Game Regulatory Act], banked games include both house banked games and player-banked games.¹³⁰

Section 849.086(2)(b), F.S., defines a ‘banking game’ as a game in which:

- [1] the house is a participant in the game, taking on players, paying winners, and collecting from losers; or
- [2] the cardroom establishes a bank against which participants play.

The court found that:

- The first part of the definition in [1] describes a house banked game, one played in the manner that is typical for blackjack and baccarat;
- The second part of the definition in [2] describes a game banked by anyone else, including a player; that is, a game played in the manner of chemin de fer;¹³¹
- When the cardroom devises and runs the game and sets the rules, including the requirement that a player act as the bank, the cardroom ‘establishes’ a bank;
- Florida law does not state that a game is not ‘banked’ when the bank is a player rather than the house;
- There were no player-banked card games at pari-mutuel cardrooms when the parties entered into the 2010 Gaming Compact;
- The parties did not expect the Seminole Tribe to have to compete against such games; and
- The DBPR permitted cardrooms to conduct banked games as early as 2011, formally approved the practice by adopting a rule in 2014, continues to permit the games, and asserts the rule is currently valid.

After the DBPR’s appeal of Judge Hinkle’s decision,¹³² the Seminole Tribe and the DBPR entered into a Settlement Agreement and Stipulation (2017 Settlement) on July 5, 2017.¹³³

Authorization of Designated Player Games in Florida (i.e., player banked card games with a designated player) could affect the revenue sharing provisions of the 2010 Gaming Compact¹³⁴ Judge Hinkle found Designated Player Games to be banked card games, a form of Class III gaming. The Settlement Agreement that the state entered with the Seminole Tribe provides that

¹³⁰ See *Seminole Tribe of Florida v. State of Florida*, Case No.: 4:15-cv-516-RH/CAS (U.S.D.C. N.D. Fla.), Document 103, filed Nov. 9, 2016, at p. 9.

¹³¹ *Id.* at p. 10.

¹³² See *Seminole Tribe of Florida v. State of Florida*, 219 F.Supp. 3d 1177 (N.D. Fla. Jan. 19, 2017), Case No.: 4:15-cv-516-RH/CAS, Document 120.

¹³³ See Settlement Agreement and Stipulation (2017 Settlement) (July 5, 2017) (on file with the Senate Committee on Regulated Industries).

¹³⁴ See paragraph A of Part XII of the 2010 Gaming Compact at <http://www.flsenate.gov/. . .RI/Links/Gaming Compact between The Seminole Tribe of Florida and the State of Florida.pdf> (last visited Jan. 11, 2018).

Judge Hinkle's findings of fact and conclusions of law are binding on the State and the Seminole Tribe. Accordingly, payments due to the state under the 2010 Compact could cease.¹³⁵

Additionally, the Tribe would also be authorized to offer Designated Player Games, because each compact provides the Tribe is authorized to offer "any new game authorized by Florida law for any person for any purpose."¹³⁶

If the 2018 Gaming Compact between the Seminole Tribe and the state, which is ratified in Section 1 of this bill, becomes effective, the provisions in this bill relating to Designated Player Games will not cause any impact to the revenues to be paid to the state by the Seminole Tribe because the games are permitted under that compact and are not a violation of the exclusivity granted to the Seminole Tribe under that compact.

Effect of Proposed Changes:

Section 12 amends s. 849.086, F.S., to:

- Provide that a Designated Player Game is not a banking game, and that a designated player is the player in the dealer position seated at a traditional player position who pays winning players and collects from losing players.
- Define "Designated Player Game" as "a game in which the players compare their cards only to the cards of the designated player or to a combination of cards held by the designated player and cards common and available for play by all players."
- Repeal the "90 percent rule" in existing law mandating the minimum number of races that must be conducted by a permitholder to renew a cardroom license.
- Require that a permitholder conducting less than a full schedule of live racing or games make payments for the benefit of live thoroughbred horse racing purses. If a cardroom licensee is not running a full schedule of live racing or games under its pari-mutuel permit, then the decoupled licensee must remit each month to each qualified thoroughbred permitholder, an amount equal to four percent of the permitholder's monthly cardroom gross receipts divided by the total number of qualified thoroughbred permitholders for that fiscal year.

The required uses of those payments, the requirements for making those payments and the definition of the term "qualified thoroughbred permitholder" are the same as those applicable to the payments decoupled pari-mutuel permitholders that have a slot machine license must pay for thoroughbred horse racing purses under this bill.

- Require the division to respond to requests from a licensed cardroom within 45 days for approval of a cardroom's internal controls or the rules for a new authorized game, or provide a list of deficiencies. The division has ten days after receipt of revised internal controls or

¹³⁵ See paragraph A of Part XII of the 2010 Gaming Compact at pages 39-40 at http://www.myfloridalicense.com/dbpr/pm/w/documents/2010_Compact-Signed1.pdf (last visited Jan. 11, 2018).

¹³⁶ See subparagraph 4 of paragraph F of Part III of the 2010 Gaming Compact at page 4 at http://www.myfloridalicense.com/dbpr/pm/w/documents/2010_Compact-Signed1.pdf (last visited Jan. 11, 2018) and see subparagraph 5 of paragraph G of Part XII of the 2015 Gaming Compact at <http://www.flsenate.gov/. . .Proposed 2015 Gaming Compact, Comparison Chart, and Letter from Governor Scott.pdf> (last visited Jan. 1, 2018).

rules for a new game addressing the deficiencies identified by the division to approve or reject the revised internal controls or rules.¹³⁷

- Authorize cardroom operators to offer Designated Player Games, at not more than 50 percent of the total licensed tables in a cardroom.
- Provide a cardroom operator may not serve as a designated player but may collect a table rake as posted at the table.
- Provide, if there are multiple designated players at a table, the dealer button must be rotated clockwise after each hand.
- Provide that a cardroom operator may not allow a designated player to pay an opposing player who holds a lower ranked hand.
- Provide that any designated player may not be required by the rules of a game or by the rules of a cardroom to cover more than 10 times the maximum wager for opposing players.
- Prohibit a cardroom, or any cardroom licensee, from contracting for or receiving compensation other than a posted table rake from any player to participate in any game to serve as a designated player.
- Require employees of a designated player be licensed, and a designated player pay, in addition to the cardroom business occupational fee, an employee occupational fee which may not exceed \$500.00 per employee annually.

If the 2018 Gaming Compact between the Seminole Tribe and the state, which is ratified in Section 1 of this bill, becomes effective, the provisions in this bill relating to Designated Player Games at cardrooms will not cause any impact to the revenues to be paid to the state by the Seminole Tribe because the authorization for Designated Player Games is permitted under that compact and is not a violation of the exclusivity granted to the Seminole Tribe under that compact.

Definition of Slot Machines or Devices

Present Situation:

Slot machine gaming is lawful only in licensed slot machine facilities at pari-mutuel facilities located in Broward and Miami-Dade counties.¹³⁸ At issue in recent litigation is whether certain games, popularly known as pre-reveal games, are illegal slot machines.¹³⁹ The machines involve a “multiple game system with a preview feature” requiring a player to press a preview button that displays the outcome of the game before play may begin. The preview button shows the outcome of the next game but not the game after that. The circuit court concluded that pre-reveal machines are illegal slot machines, and an appeal of the case is now pending.¹⁴⁰

¹³⁷ According to the DBPR’s Office of General Counsel, the terms “requests from a licensed cardroom” and “submission” in the bill “may create ambiguity in their application.” See *2018 Agency Legislative Bill Analysis (AGENCY: Department of Business and Professional Regulation)* for SB 840, dated Jan. 9, 2018 (on file with Senate Committee on Regulated Industries) at page 8.

¹³⁸ Section 551.101, F.S.

¹³⁹ See *Gator Coin II, Inc. v. Florida Dep’t of Bus. & Prof. Reg.*, No. 2015-CA-2629 (Fla. Cir. Ct. Jul. 10, 2017).

¹⁴⁰ See *Gator Coin II, Inc. v. Florida Dep’t of Bus. & Prof. Reg.*, Case No. 1D 17-2966 (Fla. 1st DCA), at http://jweb.flcourts.org/pls/ds/ds_docket_search?pscourt=1 (last visited Feb. 13, 2018).

Effect of Proposed Changes:

Section 13 amends the definition of “slot machine or device” in ch. 849, F.S., relating to gambling, to prohibit pre-reveal games.

Effective Date

The bill takes effect upon becoming a law.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:****Fantasy Contests**

None.

Pari-Mutuel Decoupling

The ending of live racing will reduce required daily license fees and taxes on wagering paid by pari-mutuel permitholders that decouple. According to the Department of Business and Professional Regulation (DBPR), the bill’s fiscal impact to state government revenues is indeterminate.¹⁴¹ The Revenue Estimating Conference (REC) has not analyzed this provision of the bill.

Purse Supplements by Decoupled Slot Machine Licensees

None.

Slot Machine Tax Rate Reduction

The REC has not analyzed this bill, but staff expects the impact of this provision of the bill to be loss of \$4.1 million on a recurring basis in slot machine revenue. Under current law and current administration, the REC forecasts¹⁴² slot machine revenues to increase by

¹⁴¹ See 2018 Agency Legislative Bill Analysis (AGENCY: Department of Business and Professional Regulation) for SB 840, dated Jan. 9, 2018 (on file with Senate Committee on Regulated Industries) at page 6.

¹⁴² See Revenue Estimating Conference Slot Machine Tax January 2018 at <http://edr.state.fl.us/Content/conferences/slotmachines/SlotsResults.pdf> (last visited Feb. 7, 2018).

2.1 percent in Fiscal Year 2018-2019, and by 1.2 percent annually thereafter, growing from \$191.9 million in Fiscal Year 2017-2018 to \$205.0 million in Fiscal Year 2022-2023. The bill will result in a loss of the growth in slot machine revenue deposited in the Educational Enhancement Trust Fund.

Authorization of Designated Player Games

None.

B. Private Sector Impact:

The bill authorizes certain fantasy contests to be offered by fantasy contest operators, who will retain amounts participants pay as entry fees to participate in fantasy contests. Persons who pay entry fees to participate in fantasy contests have the opportunity to win prizes and awards.

The ending of live racing will reduce required daily license fees and taxes on wagering paid by pari-mutuel permitholders that decouple.

The bill reduces the tax rate on slot machine gaming revenue effective January 1, 2019, but also requires that the existing Broward and Miami-Dade slot machine facilities pay, in each year, at least as much as they paid in Fiscal Year 2017-2018.

As to Designated Player Games, the bill:

- Provides a Designated Player Game is not a banking game.
- Sets requirements and limitations for a Designated Player Game.
- Limits the number of Designated Player Game tables in a cardroom to not more than 50 percent of the cardroom’s total licensed tables.
- Grants additional rulemaking authority to the DBPR’s Division of Pari-Mutuel Wagering (division) relating to requests from licensed cardrooms and imposes deadlines for response by the division to submissions by cardroom licensees relating to rules for new authorized games, revisions to internal controls, and revisions to rules for games.

C. Government Sector Impact:

The REC has not adopted an official estimate of the impact of this bill, but based on preliminary analysis, if the 2018 Gaming Compact between the Seminole Tribe of Florida and the state, which is ratified in Section 1 of this bill, becomes effective, the state would cease to receive payments under the 2010 Gaming Compact and would receive the following revenue from the Seminole Tribe in the fiscal years indicated:

Fiscal Year	Revenue Share (in millions)
2018-2019	\$325
2019-2020	350
2020-2021	375
2021-2022	425
2022-2023	475

2023-2024	500
2024-2025	550

In total, during the seven years of the Guarantee Payment Period, the state would receive \$619.4 million more in payments from the Seminole Tribe under the 2018 Gaming Compact than the Revenue Estimating Conference (REC) projects will be received under the 2010 Gaming Compact for the same period.

During Fiscal Year 2018-2019, the amount the state would receive under the 2018 Gaming Compact would be an increase of \$2.2 million above the amount the REC projects will be received under the 2010 Gaming Compact. In Fiscal Year 2019-2020, the state would receive \$21.3 million more under the 2018 Gaming Compact than the amount the state is projected to receive under the 2010 Gaming Compact.

If the 2018 Gaming Compact authorized in Section 1 of this bill does not become effective, the bill may significantly impact the Revenue Share Payments¹⁴³ required to be paid by the Seminole Tribe of Florida under the 2010 Gaming Compact.

Under current law and current administration, and assuming the state does not violate the “exclusivity” requirements in the current Compact, the REC estimates that during Fiscal Year 2017-2018 \$280.4 million revenue will be received from the Seminole Tribe associated with the 2010 Gaming Compact, of which \$276.9 million will accrue to the General Revenue Fund and \$3.5 million will be distributed to local governments as required by s. 285.710(10), F.S. During Fiscal Year 2018-2019, the REC estimates revenue associated with the 2010 Gaming Compact will be \$391.1 million, of which \$382.4 million will accrue to the General Revenue Fund and \$8.7 million will be distributed to local governments. The REC estimates the revenue associated with the 2010 Gaming Compact will increase to \$361.4 million for Fiscal Year 2025-2026.¹⁴⁴

The REC currently classifies all future Revenue Share Payments to be paid by the Seminole Tribe to the state under the 2010 Gaming Compact as nonrecurring revenue because the continuation of these payments depends on actions by the state and the Seminole Tribe “that cannot be anticipated with sufficient certainty.”¹⁴⁵

¹⁴³ Revenue Share Payments are the periodic payments to the State by the Seminole Tribe, based on the Tribe’s Net Win. Net Win is defined as total receipts from the play of authorized tribal gaming in Florida, less all prizes, free play, or promotional credits. See paragraphs U and X of Part III of the 2010 Gaming Compact at page 11 at http://www.myfloridalicense.com/dbpr/pmw/documents/2010_Compact-Signed1.pdf (last visited Jan. 11, 2018).

¹⁴⁴ See the estimates for multiple fiscal years in the *Conference Results, Indian Gaming Revenues* at <http://edr.state.fl.us/Content/conferences/Indian-gaming/IndianGamingResults.pdf> (last visited Feb. 8, 2018).

¹⁴⁵ *Id.*

Fantasy Contests

If the 2018 Gaming Compact between the Seminole Tribe and the state does not become effective, and if fantasy contests permitted under the bill constitute gaming, are considered Class III gaming under federal law, and constitute, under the 2010 Gaming Compact, *new* Class III gaming in Florida, then the payments due to the state under the 2010 Gaming Compact could end when fantasy contests begin to be offered for public or private use.¹⁴⁶

In a letter to Senator Travis Hutson and Representative Mike La Rosa dated December 5, 2017,¹⁴⁷ Jim Shore, General Counsel for the Seminole Tribe, indicated the Tribe believes the games permitted by HB 223 and SB 374 (Fantasy Contests), and SB 840 (Gaming) would violate the Tribe's exclusivity, as set forth in Part XII of the 2010 Gaming Compact between the State and Tribe. The stated purpose of the letter was to avoid enactment of legislation "that inadvertently violates the Tribe's exclusivity." Mr. Shore noted "federal law requires that any reduction in the Tribe's exclusivity must be balanced by some additional consideration from the State[, and] without such an agreement, the 2010 Gaming Compact would allow the Tribe to cease all revenue sharing payments to the State based on the expanded gaming contemplated by the referenced bills."

Pari-Mutuel Decoupling

The bill authorizes greyhound racing, harness horse racing, and quarter horse racing permitholders to stop conducting live racing while retaining intertrack and simulcast wagering, cardrooms, and, where relevant, slot machine facilities. The ending of live racing will reduce daily license fees and taxes on wagering payable by pari-mutuel permitholders that decouple. The Revenue Estimating Conference has not analyzed this bill, nor the impacts of ending live racing by greyhound racing permitholders and the various horse racing permitholders in the manner provided in the bill.

According to the Department of Business and Professional Regulation (DBPR), expenditures for licensing and sample collection may be reduced at permitholder facilities that choose to end live racing.¹⁴⁸ The DBPR's Office of General Counsel notes that rulemaking will be necessary to address revisions to permit and license application forms, as well as additional forms relating to the ending of live racing.¹⁴⁹

¹⁴⁶ See paragraph A of Part XII of the 2010 Gaming Compact at pages 39-40 at http://www.myfloridalicense.com/dbpr/pmw/documents/2010_Compact-Signed1.pdf (last visited Jan. 11, 2018); the Revenue Share Payments and the required annual donation of \$750,000 to the Florida Council on Compulsive Gaming must resume when the new Class III gaming is no longer operated.

¹⁴⁷ See Letter from Jim Shore, General Counsel for the Seminole Tribe, to Senator Travis Hutson and Representative La Rosa (Dec. 5, 2017) (on file with the Senate Committee on Regulated Industries).

¹⁴⁸ See *2018 Agency Legislative Bill Analysis (AGENCY: Department of Business and Professional Regulation)* for SB 840, dated Jan. 9, 2018 (on file with Senate Committee on Regulated Industries) at page 6.

¹⁴⁹ *Id.* at page 8.

Slot Machine Tax Rate Reduction

The bill provides for a slot machine tax rate reduction, which takes effect on January 1, 2019, combined with a requirement that the existing Broward and Miami-Dade slot machine facilities pay, in each year, at least as much as they paid in Fiscal Year 2017-2018, but not to exceed 35 percent of any facility's slot machine revenue. The Revenue Estimating Conference (REC) forecasts¹⁵⁰ that under current law slot machine revenues will increase by 2.1 percent in Fiscal Year 2018-2019, and by 1.2 percent annually thereafter, growing from \$191.9 million in Fiscal Year 2017-2018 to \$205.0 million in Fiscal Year 2022-2023. The REC has not analyzed this bill, but staff expects the impact of the reduction in the slot machine tax rate to be a loss to the Educational Enhancement Trust Fund of the **growth** in slot machine revenue.

Authorization of Designated Player Games

If the 2018 Gaming Compact authorized in Section 1 of the bill does not become effective, authorization of player banked card games with a designated player, which were determined to be Class III gaming in federal litigation between the state of Florida and the Seminole Tribe of Florida, could impact the revenue sharing provisions of the 2010 Gaming Compact, as payments due to the state under the compact could cease.¹⁵¹

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 285.710, 285.712, 550.01215, 550.054, 550.0745, 550.09512, 550.09515, 550.3345, 551.104, 551.106, 849.086, and 849.16.

This bill creates section 546.13 of the Florida Statutes.

¹⁵⁰ See *Revenue Estimating Conference Slot Machine Tax January 2018* at <http://edr.state.fl.us/Content/conferences/slotmachines/SlotsResults.pdf> (last visited Feb. 7, 2018).

¹⁵¹ See paragraph A of Part XII of the 2010 Gaming Compact at pages 39-40 at http://www.myfloridalicense.com/dbpr/pmw/documents/2010_Compact-Signed1.pdf (last visited Jan. 11, 2018).

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

Recommended CS by Appropriations Subcommittee on Finance and Tax on February 12, 2018:

The committee substitute:

- Deletes decoupling of thoroughbred horse racing.
- Reduces the amount of slot machine revenue that a decoupled permitholder with a slot machine license must pay for thoroughbred horse purses to the *lesser* of 2.75 percent (reduced from 3 percent in the bill) of the licensee’s slots revenue from the prior fiscal year or \$1.5 million annually (reduced from \$2 million in the bill).
- Revises provisions relating to the amount of slot machine revenue and cardroom revenue which decoupled permitholders must pay, so that qualified thoroughbred permitholders (conducting minimum live racing requirements) each receive the same amount.
- Provides that limited thoroughbred permitholders and thoroughbred permitholders leasing at another permitholder’s racing facility are not qualified thoroughbred permitholders for purposes of receiving a share of revenues from decoupled permitholders.
- Eliminates dormant pari-mutuel permits and repeals authorization for issuance of summer jai alai permits.
- Amends the definition of “slot machine or device” to prohibit pre-reveal games.
- Authorizes the execution of a gaming compact between the state and the Seminole Tribe of Florida (Seminole Tribe), which:
 - Authorizes the Seminole Tribe to conduct slot machine gaming at its seven gaming facilities;
 - Permits the Seminole Tribe to offer live table games, such as craps and roulette, at its seven gaming facilities;
 - Authorizes banked card games, including blackjack, chemin de fer, and baccarat, at its seven facilities;
 - Is for a term of 20 years, through June 30, 2038; and
 - Includes a \$3 billion guarantee of revenue sharing payments to the state for the first seven-years (Guarantee Period), with specific payment amounts (Guaranteed Payments) during each year of the Guarantee Period. After the Guarantee Period, payments will be based on varying percentage rates that depend on the amount of the Seminole Tribe’s net win (Revenue Share Payments);
 - Provides exceptions to the Tribe’s exclusive rights to allow the authorization of fantasy contests, the play of Designated Player Games in the state, and the ending of live racing by certain pari-mutuel permitholders.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/12/2018	.	
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	.	
	.	

Appropriations Subcommittee on Finance and Tax (Hutson)
recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Paragraph (a) of subsection (1) and subsection
(3) of section 285.710, Florida Statutes, are amended to read:

285.710 Compact authorization.—

(1) As used in this section, the term:

(a) "Compact" means the Gaming Compact between the Seminole
Tribe of Florida and the State of Florida, ~~executed on April 7,~~



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11 ~~2010.~~

12 (3) (a) The Gaming Compact between the Seminole Tribe of
13 Florida and the State of Florida, executed by the Governor and
14 the Tribe on April 7, 2010, was is ratified and approved by
15 chapter 2010-29, Laws of Florida. The Governor shall cooperate
16 with the Tribe in seeking approval of the compact from the
17 United States Secretary of the Interior.

18 (b) The Governor, on behalf of this state, is hereby
19 authorized and directed to execute a new compact with the Tribe
20 as set forth in paragraph (c), and the Legislature hereby
21 signifies in advance its approval and ratification of such
22 compact, provided that it is identical to the compact set forth
23 in paragraph (c) and becomes effective on or before January 1,
24 2019. The Governor shall cooperate with the Tribe in seeking
25 approval of such compact ratified and approved under this
26 paragraph from the Secretary of the Department of the Interior.
27 Upon becoming effective, such compact supersedes the Gaming
28 Compact ratified and approved under paragraph (a), which shall
29 then become null and void.

30 (c) The Legislature hereby approves and ratifies the
31 following Gaming Compact between the State of Florida and the
32 Seminole Tribe of Florida, provided that such compact becomes
33 effective on or before January 1, 2019:

34
35 Gaming Compact Between the Seminole Tribe of Florida
36 and the State of Florida

37
38 This compact is made and entered into by and between the
39 Seminole Tribe of Florida and the State of Florida, with respect



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40 to the operation of covered games, as defined herein, on the
41 Tribe's Indian lands, as defined by the Indian Gaming Regulatory
42 Act, 25 U.S.C. ss. 2701 et seq.

43
44 PART I

45
46 TITLE.—This document shall be referred to as the "Gaming
47 Compact between the Seminole Tribe of Florida and the State of
48 Florida."

49
50 PART II

51
52 LEGISLATIVE FINDINGS.—

53 (1) The Seminole Tribe of Florida is a federally recognized
54 tribal government that possesses sovereign powers and rights of
55 self-government.

56 (2) The State of Florida is a state of the United States of
57 America that possesses the sovereign powers and rights of a
58 state.

59 (3) The State of Florida and the Seminole Tribe of Florida
60 maintain a government-to-government relationship.

61 (4) The United States Supreme Court has long recognized the
62 right of an Indian Tribe to regulate activity on lands within
63 its jurisdiction, but the United States Congress, through the
64 Indian Gaming Regulatory Act, has given states a role in the
65 conduct of tribal gaming in accordance with negotiated tribal-
66 state compacts.

67 (5) Pursuant to the Seminole Tribe Amended Gaming
68 Ordinance, adopted by Resolution No. C-195-06, and approved by



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69 the Chairman of the National Indian Gaming Commission on July
70 10, 2006, hereafter referred to as the "Seminole Tribal Gaming
71 Code," the Seminole Tribe of Florida desires to offer the play
72 of covered games, as defined in Part III, as a means of
73 generating revenues for purposes authorized by the Indian Gaming
74 Regulatory Act, including, without limitation, the support of
75 tribal governmental programs, such as health care, housing,
76 sewer and water projects, police, fire suppression, general
77 assistance for tribal elders, day care for children, economic
78 development, educational opportunities, per capita payments to
79 tribal members, and other typical and valuable governmental
80 services and programs for tribal members.

81 (6) This compact is the only gaming compact between the
82 Tribe and the state. This compact supersedes the Gaming Compact
83 between the Tribe and the state executed on or about April 7,
84 2010, which was subsequently ratified by the Legislature and
85 went into effect on or about July 6, 2010.

86 (7) It is in the best interests of the Seminole Tribe of
87 Florida and the State of Florida for the state to enter into a
88 compact with the Tribe that recognizes the Tribe's right to
89 offer certain Class III gaming and provides substantial
90 exclusivity of such activities in conjunction with a reasonable
91 revenue sharing arrangement between the Tribe and the state that
92 will entitle the state to significant revenue participation.

93
94 PART III

95
96 DEFINITIONS.—As used in this compact, the term:

97 (1) "Annual oversight assessment" means the amount owed by



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98 the Tribe to the state for reimbursement for the actual and
99 reasonable costs incurred by the state compliance agency to
100 perform the monitoring functions set forth under the compact.

101 (2) "Class II video bingo terminals" means any electronic
102 aid to a Class II bingo game that includes a video spinning reel
103 or mechanical spinning reel display.

104 (3) "Class III gaming" means the forms of Class III gaming
105 defined in 25 U.S.C. s. 2703(8) and by the regulations of the
106 National Indian Gaming Commission, as of January 1, 2018.

107 (4) "Commission" means the Seminole Tribal Gaming
108 Commission, which is the tribal governmental agency that has the
109 authority to carry out the Tribe's regulatory and oversight
110 responsibilities under this compact.

111 (5) "Compact" means this Gaming Compact between the
112 Seminole Tribe of Florida and the State of Florida.

113 (6) "Covered game" or "covered gaming activity" means the
114 following Class III gaming activities:

115 (a) Slot machines, which may use spinning reels, video
116 displays, or both, and which machines must meet all of the
117 following requirements:

118 1. Any mechanical or electrical contrivance, terminal that
119 may or may not be capable of downloading slot games from a
120 central server system, machine, or other device.

121 2. Require, for play or operation, the insertion of a coin,
122 bill, ticket, token, or similar object, or payment of any
123 consideration whatsoever, including the use of any electronic
124 payment system, except a credit card or debit card, unless state
125 law authorizes the use of an electronic payment system that uses
126 a credit or debit card payment, in which case the Tribe is



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127 authorized to use such payment system.

128 3. Are available to play or operate, the play or operation
129 of which, whether by reason of skill or application of the
130 element of chance or both, may deliver or entitle the person or
131 persons playing or operating the contrivance, terminal, machine,
132 or other device to receive cash, billets, tickets, tokens, or
133 electronic credits to be exchanged for cash or to receive
134 merchandise or anything of value whatsoever, whether the payoff
135 is made automatically from the machine or manually.

136 4. Include associated equipment necessary to conduct the
137 operation of the contrivance, terminal, machine, or other
138 device.

139 (b) Banking or banked card games, such as baccarat, chemin
140 de fer, and blackjack or 21.

141 (c) Raffles and drawings.

142 (d) Live table games.

143 (e) Any new game, if expressly authorized by the
144 Legislature pursuant to legislation enacted subsequent to the
145 effective date of this compact and lawfully conducted by any
146 person for any purpose pursuant to such authorization.

147 (7) "Covered game employee" or "covered employee" means an
148 individual employed and licensed by the Tribe whose
149 responsibilities include the rendering of services with respect
150 to the operation, maintenance, or management of covered games,
151 including, but not limited to, managers and assistant managers;
152 accounting personnel; commission officers; surveillance and
153 security personnel; cashiers, supervisors, and floor personnel;
154 cage personnel; and any other employee whose employment duties
155 require or authorize access to areas of the facility related to



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156 the conduct of covered games or the technical support or storage
157 of covered game components. The term does not include the
158 Tribe's elected officials, provided that such individuals are
159 not directly involved in the operation, maintenance, or
160 management of covered games or covered games components.

161 (8) "Documents" means books, records, electronic, magnetic,
162 and computer media documents, and other writings and materials,
163 copies of such documents and writings, and information contained
164 in such documents and writings.

165 (9) "Effective date" means the date on which the compact
166 becomes effective pursuant to subsection (1) of Part XVI.

167 (10) "Electronic bingo machine" means a card minding
168 device, which may only be used in connection with a bingo game
169 as defined in s. 849.0931(1)(a), Florida Statutes, which is
170 certified in advance by an independent testing laboratory
171 approved by the Division of Pari-Mutuel Wagering as a bingo aid
172 device that meets all of the following requirements:

173 (a) Aids a bingo game player by:

174 1. Storing in the memory of the device not more than three
175 bingo faces of tangible bingo cards as defined by s.
176 849.0931(1)(b), Florida Statutes, purchased by a player.

177 2. Comparing the numbers drawn and individually entered
178 into the device by the player to the bingo faces previously
179 stored in the memory of the device.

180 3. Identifying preannounced winning bingo patterns marked
181 or covered on the stored bingo faces.

182 (b) Is not capable of accepting or dispensing any coins,
183 currency, or tokens.

184 (c) Is not capable of monitoring any bingo card face other



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185 than the faces of the tangible bingo card or cards purchased by
186 the player for that game.

187 (d) Is not capable of displaying or representing the game
188 result through any means other than highlighting the winning
189 numbers marked or covered on the bingo card face or giving an
190 audio alert that the player's card has a prize-winning pattern.
191 No casino game graphics, themes, or titles, including, but not
192 limited to, depictions of slot machine-style symbols, cards,
193 craps, roulette, or lottery may be used.

194 (e) Is not capable of determining the outcome of any game.

195 (f) Does not award progressive prizes of more than \$2,500.

196 (g) Does not award prizes exceeding \$1,000, other than
197 progressive prizes not exceeding \$2,500.

198 (h) Does not contain more than one player position for
199 playing bingo.

200 (i) Does not contain or does not link to more than one
201 video display.

202 (j) Awards prizes based solely on the results of the bingo
203 game, with no additional element of chance.

204 (11) "Facility" means a building or buildings of the Tribe
205 in which the covered games authorized by this compact are
206 conducted.

207 (12) "Guaranteed minimum compact term payment" means a
208 minimum total payment for the guarantee payment period of \$3
209 billion, which shall include all revenue share payments during
210 the guarantee payment period.

211 (13) "Guarantee payment period" means the seven-year period
212 beginning July 1, 2018, and ending June 30, 2025.

213 (14) "Guaranteed revenue sharing cycle payment" means the



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214 payments as provided in Part XI.

215 (15) "Historic racing machine" means an individual historic
216 race terminal linked to a central server as part of a network-
217 based video game, where the terminals allow pari-mutuel wagering
218 by players on the results of previously conducted horse or
219 greyhound races, but only if the game is certified in advance by
220 an independent testing laboratory approved by the Division of
221 Pari-Mutuel Wagering as complying with all of the following
222 requirements:

223 (a) Stores all data on previously conducted horse or
224 greyhound races in a secure format on the central server, which
225 is located at the pari-mutuel facility.

226 (b) Uses only horse or greyhound races that were recorded
227 at licensed pari-mutuel facilities in the United States after
228 January 1, 2000.

229 (c) Offers one or more of the following three bet types on
230 all historic racing machines: win-place-show, quinella, or tri-
231 fecta.

232 (d) Offers one or more of the following racing types:
233 thoroughbreds, harness, or greyhounds.

234 (e) Does not award progressive prizes of more than \$2,500.

235 (f) Does not award prizes exceeding \$1,000, other than
236 progressive prizes not exceeding \$2,500.

237 (g) After each wager is placed, displays a video of at
238 least the final eight seconds of the horse or greyhound race
239 before any prize is awarded or indicated on the historic racing
240 machine.

241 (h) The display of the video of the horse or greyhound race
242 occupies at least 70 percent of the historic racing machine's



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243 video screen and does not contain and is not linked to more than
244 one video display.

245 (i) Does not use casino game graphics, themes, or titles,
246 including but not limited to, depictions of slot machine-style
247 symbols, cards, craps, roulette, lottery, or bingo.

248 (j) Does not use video or mechanical reel displays.

249 (k) Does not contain more than one player position for
250 placing wagers.

251 (l) Does not dispense coins, currency, or tokens.

252 (m) Awards prizes solely on the results of a previously
253 conducted horse or greyhound race with no additional element of
254 chance.

255 (n) Uses a random number generator to select the race from
256 the central server to be displayed to the player and the numbers
257 or other designations of race entrants that will be used in the
258 various bet types for any "Quick Pick" bets. To prevent an
259 astute player from recognizing the race based on the entrants
260 and thus knowing the results before placing a wager, the
261 entrants of the race may not be identified until after all
262 wagers for that race have been placed.

263 (16) "Indian Gaming Regulatory Act" means the Indian Gaming
264 Regulatory Act, Pub. L. 100-497, Oct. 17, 1988, 102 Stat. 2467,
265 codified at 25 U.S.C. ss. 2701 et seq. and 18 U.S.C. ss. 1166 to
266 1168.

267 (17) "Indian lands" means the lands defined in 25 U.S.C. s.
268 2703(4).

269 (18) "Initial payment period" means the period beginning on
270 the effective date of the compact and ending on June 30, 2018.

271 (19) "Live table games" means dice games, such as craps,



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272 sic-bo and any similar variations thereof, and wheel games, such
273 as roulette, big six, and any similar variations thereof, but
274 not including any game that is authorized as a slot machine,
275 banking or banked card game, raffle, or drawing.

276 (20) "Lottery vending machine" means any of the following
277 four types of machines:

278 (a) A machine that dispenses pre-printed paper instant
279 lottery tickets, but that does not read or reveal the results of
280 the ticket or allow a player to redeem any ticket. The machine,
281 or any machine or device linked to the machine, does not include
282 or make use of video reels or mechanical reels or other video
283 depictions of slot machine or casino game themes or titles for
284 game play, but does not preclude the use of casino game themes
285 or titles on such tickets or signage or advertising displays on
286 the machines.

287 (b) A machine that dispenses pre-determined electronic
288 instant lottery tickets and displays an image of the ticket on a
289 video screen on the machine, where the player touches the image
290 of the ticket on the video screen to reveal the outcome of the
291 ticket, provided the machine does not permit a player to redeem
292 winnings, does not make use of video reels or mechanical reels,
293 and does not simulate the play of any casino game, and the
294 lottery retailer is paid the same amount as would be paid for
295 the sale of paper instant lottery tickets.

296 (c) A machine that dispenses a paper lottery ticket with
297 numbers selected by the player or randomly by the machine, but
298 does not reveal the winning numbers. Such winning numbers are
299 selected at a subsequent time and different location through a
300 drawing conducted by the state lottery. The machine, or any



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301 machine or device linked to the machine, does not include or
302 make use of video reels or mechanical reels or other video
303 depictions of slot machine or casino game themes or titles for
304 game play. The machine is not used to redeem a winning ticket.
305 This does not preclude the use of casino game themes, titles for
306 signage, or advertising displays on the machine.

307 (21) "Monthly payment" means the monthly revenue share
308 payment which the Tribe remits to the state on the 15th day of
309 the month following each month of the revenue sharing cycle.

310 (22) "Net revenue base" means the net win for the 12 month
311 period immediately preceding the offering of, for public or
312 private use, Class III or other casino-style gaming at any of
313 the licensed pari-mutuel facilities in Broward and Miami-Dade
314 Counties, except that if the commencement of such new gaming is
315 made during the initial payment period, "net revenue base" means
316 net win for the 12-month period immediately preceding this
317 compact.

318 (23) "Net win" means the total receipts from the play of
319 all covered games less all prize payouts and free play or
320 promotional credits issued by the Tribe.

321 (24) "Pari-mutuel wagering activities" means those
322 activities authorized on January 1, 2018, by chapter 550, which
323 do not include any casino-style game or device that include
324 video reels or mechanical reels or other slot machine or casino
325 game themes or titles.

326 (25) "Patron" means any person who is on the premises of a
327 facility, or who enters the Tribe's Indian lands for the purpose
328 of playing covered games authorized by this compact.

329 (26) "Regular payment period" means the period beginning on



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330 July 1, 2025, and terminating at the end of the term of this
331 compact.

332 (27) "Revenue share payment" means the periodic payment by
333 the Tribe to the state provided for in Part XI.

334 (28) "Revenue sharing cycle" means the annual 12-month
335 period of the Tribe's operation of covered games in its
336 facilities beginning on July 1 of each fiscal year, except for
337 during the initial payment period, when the first revenue
338 sharing cycle begins on July 1 of the previous year, and the
339 Tribe receives a credit for any amount paid to the state under
340 the 2010 Compact for that revenue sharing cycle.

341 (29) "Rules and regulations" means the rules and
342 regulations promulgated by the commission for implementation of
343 this compact.

344 (30) "State" means the State of Florida.

345 (31) "State compliance agency" means the state agency
346 designated by the Florida Legislature that has the authority to
347 carry out the state's oversight responsibilities under this
348 compact.

349 (32) "Tribe" means the Seminole Tribe of Florida or any
350 affiliate thereof conducting activities pursuant to this compact
351 under the authority of the Seminole Tribe of Florida.

352
353 PART IV

354
355 AUTHORIZATION AND LOCATION OF COVERED GAMES.—

356 (1) The Tribe and state agree that the Tribe is authorized
357 to operate covered games on its Indian lands, as defined in the
358 Indian Gaming Regulatory Act, in accordance with the provisions



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359 of this compact. Nothing in the compact is intended to prohibit
360 the Tribe from operating slot machines that employ video or
361 mechanical displays of roulette, wheels, or other table game
362 themes. Except for the provisions in subsection (1) of Part XI,
363 nothing in this compact shall limit the Tribe's right to operate
364 any Class II gaming under the Indian Gaming Regulatory Act.

365 (2) The Tribe is authorized to conduct covered games under
366 this compact only at the following seven existing facilities,
367 which may be expanded or replaced as provided in subsection (3)
368 on Indian lands:

369 (a) Seminole Indian Casino-Brighton in Okeechobee, FL.

370 (b) Seminole Indian Casino-Coconut Creek in Coconut Creek,
371 FL.

372 (c) Seminole Indian Casino-Hollywood in Hollywood, FL.

373 (d) Seminole Indian Casino-Immokalee in Immokalee, FL.

374 (e) Seminole Indian Casino-Big Cypress in Clewiston, FL.

375 (f) Seminole Hard Rock Hotel & Casino-Hollywood in
376 Hollywood, FL.

377 (g) Seminole Hard Rock Hotel & Casino-Tampa in Tampa, FL.

378 (3) Any of the facilities existing on Indian lands
379 identified in subsection (2) may be expanded or replaced by
380 another facility on the same Indian lands with at least 60 days'
381 advance notice to the state.

382
383 PART V

384
385 RULES AND REGULATIONS; MINIMUM REQUIREMENTS FOR
386 OPERATIONS.-

387 (1) At all times during the term of this compact, the Tribe



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388 shall be responsible for all duties that are assigned to it and
389 the commission under this compact. The Tribe shall promulgate
390 any rules necessary to implement this compact, which, at a
391 minimum, shall expressly include or incorporate by reference all
392 provisions of Parts V, VI, VII, and VIII. Nothing in this
393 compact shall be construed to affect the Tribe's right to amend
394 its rules, provided that any such amendment is in conformity
395 with this compact. The state compliance agency may propose
396 additional rules consistent with and related to the
397 implementation of this compact to the commission at any time,
398 and the commission shall give good faith consideration to such
399 proposed rules and shall notify the state compliance agency of
400 its response or action with respect to such rules.

401 (2) All facilities shall comply with, and all covered games
402 approved under this compact shall be operated in accordance
403 with, the requirements set forth in this compact, including, but
404 not limited to, the requirements set forth in subsections (3)
405 and (4) and the Tribe's Internal Control Policies and
406 Procedures. In addition, all facilities and all covered games
407 shall be operated in strict compliance with tribal internal
408 control standards that provide a level of control that equals or
409 exceeds those set forth in the National Indian Gaming
410 Commission's Minimum Internal Control Standards, 25 C.F.R. part
411 542 (2015), even if the 2015 regulations are determined to be
412 invalid or are subsequently withdrawn by the National Indian
413 Gaming Commission. The Tribe may amend or supplement its
414 internal control standards from time to time, provided that such
415 changes continue to provide a level of control that equals or
416 exceeds those set forth in 25 C.F.R. part 542 (2015).



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417 (3) The Tribe and the commission shall retain all documents
418 in compliance with the requirements set forth in the Tribe's
419 Record Retention Policies and Procedures.

420 (4) The Tribe shall continue and maintain its program to
421 combat problem gambling and curtail compulsive gambling and work
422 with the Florida Council on Compulsive Gambling or other
423 organizations dedicated to assisting problem gamblers. The Tribe
424 shall continue to maintain the following safeguards against
425 problem gambling:

426 (a) The Tribe shall provide to every new gaming employee a
427 comprehensive training and education program designed in
428 cooperation with the Florida Council on Compulsive Gambling or
429 other organization dedicated to assisting problem gamblers.

430 (b) The Tribe shall make printed materials available to
431 patrons, which include contact information for the Florida
432 Council on Compulsive Gambling 24-hour helpline or other hotline
433 dedicated to assisting problem gamblers, and will work with the
434 Florida Council on Compulsive Gambling or other organization
435 dedicated to assisting problem gamblers to provide contact
436 information for the Florida Council on Compulsive Gambling or
437 other organization dedicated to assisting problem gamblers, and
438 to provide such information on the facility's website. The Tribe
439 shall continue to display within the facilities all literature
440 from the Florida Council on Compulsive Gambling or other
441 organization dedicated to assisting problem gamblers.

442 (c)1. The commission shall establish a list of patrons
443 voluntarily excluded from the Tribe's facilities, pursuant to
444 subparagraph 3.

445 2. The Tribe shall employ its best efforts to exclude



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446 patrons on such list from entry into its facilities; provided
447 that nothing in this compact shall create for patrons who are
448 excluded but gain access to the facilities, or any other person,
449 a cause of action or claim against the state, the Tribe or the
450 commission, or any other person, entity, or agency for failing
451 to enforce such exclusion.

452 3. Patrons who believe they may be compulsively playing
453 covered games may request that their names be placed on the list
454 of patrons voluntarily excluded from the Tribe's facilities.

455 (d) All covered game employees shall receive training on
456 identifying compulsive gamblers and shall be instructed to ask
457 such persons to leave. The facility shall make available signs
458 bearing a toll-free help-line number and educational and
459 informational materials at conspicuous locations and automated
460 teller machines in each facility, which materials aim at the
461 prevention of problem gaming and which specify where patrons may
462 receive counseling or assistance for gambling problems. All
463 covered games employees shall also be screened by the Tribe for
464 compulsive gambling habits. Nothing in this subsection shall
465 create for patrons, or any other person, a cause of action or
466 claim against the state, the Tribe or the commission, or any
467 other person, entity, or agency for failing to identify a patron
468 or person who is a compulsive gambler or ask that person to
469 leave.

470 (e) The Tribe shall follow the rules for exclusion of
471 patrons set forth in the Seminole Tribal Gaming Code.

472 (f) The Tribe shall make diligent efforts to prevent
473 underage individuals from loitering in the area of each facility
474 where the covered games take place.



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475 (g) The Tribe shall ensure that any advertising and
476 marketing of covered games at the facilities contains a
477 responsible gambling message and a toll-free help-line number
478 for problem gamblers, where practical, and that such advertising
479 and marketing make no false or misleading claims.

480 (5) The state may secure an annual independent audit of the
481 conduct of covered games subject to this compact, as set forth
482 in Part VIII.

483 (6) The facility shall visibly display summaries of the
484 rules for playing covered games and promotional contests and
485 shall make available complete sets of rules upon request. The
486 Tribe shall provide copies of all such rules to the state
487 compliance agency within 30 calendar days after issuance or
488 amendment.

489 (7) The Tribe shall provide the commission and state
490 compliance agency with a chart of the supervisory lines of
491 authority with respect to those directly responsible for the
492 conduct of covered games, and shall promptly notify those
493 agencies of any material changes to the chart.

494 (8) The Tribe shall continue to maintain proactive
495 approaches to prevent improper alcohol sales, drunk driving,
496 underage drinking, and underage gambling. These approaches shall
497 involve intensive staff training, screening and certification,
498 patron education, and the use of security personnel and
499 surveillance equipment in order to enhance patrons' enjoyment of
500 the facilities and provide for patron safety.

501 (a) Staff training includes specialized employee training
502 in nonviolent crisis intervention, driver license verification,
503 and detection of intoxication.



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504 (b) Patron education shall be carried out through notices
505 transmitted on valet parking stubs, posted signs in the
506 facilities, and in brochures.

507 (c) Roving and fixed security officers, along with
508 surveillance cameras, shall assist in the detection of
509 intoxicated patrons, investigate problems, and engage with
510 patrons to deescalate volatile situations.

511 (d) To help prevent alcohol-related crashes, the Tribe will
512 continue to operate the "Safe Ride Home Program," a free taxi
513 service.

514 (e) The Tribe shall maintain these programs and policies in
515 its Alcohol Beverage Control Act for the duration of the compact
516 but may replace such programs and policies with stricter or more
517 extensive programs and policies. The Tribe shall provide the
518 state with written notice of any changes to the Tribe's Alcohol
519 Beverage Control Act, which notice shall include a copy of such
520 changes and shall be sent on or before the effective date of the
521 change. Nothing in this subsection shall create for patrons, or
522 any other person, a cause of action or claim against the state,
523 the Tribe or the commission, or any other person, entity, or
524 agency for failing to fulfill the requirements of this
525 subsection.

526 (9) A person under 21 years of age may not play covered
527 games, unless otherwise permitted by state law.

528 (10) The Tribe may establish and operate facilities that
529 operate covered games only on its Indian lands as defined by the
530 Indian Gaming Regulatory Act and as specified in Part IV.

531 (11) The commission shall keep a record of, and shall
532 report at least quarterly to the state compliance agency, the



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533 number of covered games in each facility, by the name or type of
534 each game and its identifying number.

535 (12) The Tribe and the commission shall make available, to
536 any member of the public upon request, within 10 business days,
537 a copy of the National Indian Gaming Commission's Minimum
538 Internal Control Standards, 25 C.F.R. part 542 (2015), the
539 Seminole Tribal Gaming Code, this compact, the rules of each
540 covered game operated by the Tribe, and the administrative
541 procedures for addressing patron tort claims under Part VI.

542
543 PART VI

544
545 PATRON DISPUTES, WORKERS' COMPENSATION, TORT CLAIMS; PRIZE
546 CLAIMS; LIMITED CONSENT TO SUIT.-

547 (1) All patron disputes involving gaming shall be resolved
548 in accordance with the procedures established in the Seminole
549 Tribal Gaming Code.

550 (2) Tort claims by employees of the Tribe's facilities will
551 be handled pursuant to the provisions of the Tribe's Workers'
552 Compensation Ordinance, which shall provide workers the same or
553 better protections as provided in state workers' compensation
554 laws.

555 (3) Disputes involving employees of the Tribe's facilities
556 will be handled pursuant to the provisions of the Tribe's policy
557 for gaming employees, as set forth in the Employee Fair
558 Treatment and Dispute Resolution Policy.

559 (4) A patron who claims to have been injured after the
560 effective date of the compact at one of the Tribe's facilities
561 in which covered games are played is required to provide written



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562 notice to the Tribe's Risk Management Department or the
563 facility, in a reasonable and timely manner, but no longer than
564 three years after the date of the incident giving rise to the
565 claimed injury, or the claim shall be forever barred.

566 (5) The Tribe shall have 30 days to respond to a claim made
567 by a patron. If the Tribe fails to respond within 30 days, the
568 patron may file suit against the Tribe. When the Tribe responds
569 to an incident alleged to have caused a patron's injury or
570 illness, the Tribe shall provide a claim form to the patron. The
571 form must include the address for the Tribe's Risk Management
572 Department and provide notice of the Tribe's administrative
573 procedures for addressing patron tort claims, including notice
574 of the relevant deadlines that may bar such claims if the
575 Tribe's administrative procedures are not followed. It is the
576 patron's responsibility to complete the form and forward the
577 form to the Tribe's Risk Management Department within a
578 reasonable period of time, and in a reasonable and timely
579 manner. Nothing herein shall interfere with any claim a patron
580 might have arising under the Federal Tort Claim Act.

581 (6) Upon receiving written notification of the claim, the
582 Tribe's Risk Management Department shall forward the
583 notification to the Tribe's insurance carrier. The Tribe shall
584 use its best efforts to ensure that the insurance carrier
585 contacts the patron within a reasonable period of time after
586 receipt of the claim.

587 (7) The insurance carrier shall handle the claim to
588 conclusion. If the patron, Tribe, and insurance carrier are not
589 able to resolve the claim in good faith within one year after
590 the patron provided written notice to the Tribe's Risk



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591 Management Department or the facility, the patron may bring a
592 tort claim against the Tribe in any court of competent
593 jurisdiction in the county in which the incident alleged to have
594 caused injury occurred, as provided in this compact, and subject
595 to a four-year statute of limitations, which shall begin to run
596 from the date of the incident of the injury alleged in the
597 claim. A patron's notice of injury to the Tribe pursuant to
598 subsection (4) and the fulfillment of the good faith attempt at
599 resolution pursuant to this part are conditions precedent to
600 filing suit.

601 (8) For tort claims of patrons made pursuant to subsection
602 (4), the Tribe agrees to waive its tribal sovereign immunity to
603 the same extent as the state waives its sovereign immunity, as
604 specified in s. 768.28(1) and (5), Florida Statutes, as such
605 provision may be amended from time to time by the Legislature.
606 In no event shall the Tribe be deemed to have waived its tribal
607 immunity from suit beyond the limits set forth in s. 768.28(5),
608 Florida Statutes. These limitations are intended to include
609 liability for compensatory damages, costs, pre-judgment
610 interest, and attorney fees if otherwise allowable under state
611 law arising out of any claim brought or asserted against the
612 Tribe, its subordinate governmental and economic units, any
613 Tribal officials, employees, servants, or agents in their
614 official capacities and any entity which is owned, directly or
615 indirectly, by the Tribe. All patron tort claims brought
616 pursuant to this provision shall be brought solely against the
617 Tribe, as the sole party in interest.

618 (9) Notices explaining the procedures and time limitations
619 with respect to making a tort claim shall be prominently



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620 displayed in the facilities, posted on the Tribe's website, and
621 provided to any patron for whom the Tribe has notice of the
622 injury or property damage giving rise to the tort claim. Such
623 notices shall explain:

624 (a) The method and places for making a tort claim,
625 including where the patron must submit the claim.

626 (b) That the process is the exclusive method for asserting
627 a tort claim arising under this section against the Tribe.

628 (c) That the Tribe and its insurance carrier have one year
629 from the date the patron gives notice of the claim to resolve
630 the matter, and that after that time, the patron may file suit
631 in a court of competent jurisdiction.

632 (d) That the exhaustion of the process is a prerequisite to
633 filing a claim in state court.

634 (e) That claims that fail to follow this process shall be
635 forever barred.

636 (10) The Tribe shall maintain an insurance policy that
637 shall:

638 (a) Prohibit the insurer or the Tribe from invoking tribal
639 sovereign immunity for claims up to the limits to which the
640 state has waived sovereign immunity as set forth in s.
641 768.28(5), Florida Statutes, or its successor statute.

642 (b) Include covered claims made by a patron or invitee for
643 personal injury or property damage.

644 (c) Permit the insurer or the Tribe to assert any statutory
645 or common law defense other than sovereign immunity.

646 (d) Provide that any award or judgment rendered in favor of
647 a patron or invitee shall be satisfied solely from insurance
648 proceeds.



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678 regard to the operation of covered games, including, but not
679 limited to, the maintenance of employee procedures and a
680 surveillance system.

681 3. Ensure prompt notification is given, in accordance with
682 applicable law, to appropriate law enforcement authorities of
683 persons who may be involved in illegal acts.

684 4. Ensure that the construction and maintenance of the
685 facilities complies with the standards of the Florida Building
686 Code, the provisions of which the Tribe has adopted as the
687 Seminole Tribal Building Code.

688 5. Ensure adequate emergency access plans have been
689 prepared to ensure the health and safety of all covered game
690 patrons.

691 (2) All licenses for members and employees of the
692 commission shall be issued according to the same standards and
693 terms applicable to facility employees. The commission's
694 officers shall be independent of the Tribal gaming operations,
695 and shall be supervised by and accountable only to the
696 commission. A commission officer shall be available to the
697 facility during all hours of operation upon reasonable notice,
698 and shall have immediate access to any and all areas of the
699 facility for the purpose of ensuring compliance with the
700 provisions of this compact. The commission shall investigate any
701 suspected or reported violation of this part and shall
702 officially enter into its files timely written reports of
703 investigations and any action taken thereon, and shall forward
704 copies of such investigative reports to the state compliance
705 agency within 30 calendar days after such filing. The scope of
706 such reporting shall be determined by the commission and the



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707 state compliance agency as soon as practicable after the
708 effective date of this compact. Any such violations shall be
709 reported immediately to the commission, and the commission shall
710 immediately forward such reports to the state compliance agency.
711 In addition, the commission shall promptly report to the state
712 compliance agency any such violations which it independently
713 discovers.

714 (3) In order to develop and foster a positive and effective
715 relationship in the enforcement of the provisions of this
716 compact, representatives of the commission and the state
717 compliance agency shall meet at least annually to review past
718 practices and examine methods to improve the regulatory scheme
719 created by this compact. The meetings shall take place at a
720 location mutually agreed upon by the commission and the state
721 compliance agency. The state compliance agency, before or during
722 such meetings, shall disclose to the commission any concerns,
723 suspected activities, or pending matters reasonably believed to
724 constitute violations of the compact by any person,
725 organization, or entity, if such disclosure will not compromise
726 the interest sought to be protected.

727
728 PART VIII

729
730 STATE MONITORING OF COMPACT.—

731 (1) It is the express intent of the Tribe and the state for
732 the Tribe to regulate its own gaming activities.
733 Notwithstanding, the state shall conduct random inspections as
734 provided for in this part to ensure that the Tribe is operating
735 in accordance with the terms of the compact. The state may



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736 secure an annual independent audit of the conduct of covered
737 games subject to this compact and the Tribe shall cooperate with
738 such audit. The audit shall:

739 (a) Examine the covered games operated by the Tribe to
740 ensure compliance with the Tribe's Internal Control Policies and
741 Procedures and any other standards, policies, or procedures
742 adopted by the Tribe, the commission, or the National Indian
743 Gaming Commission which govern the play of covered games.

744 (b) Examine revenues in connection with the conduct of
745 covered games and include only those matters necessary to verify
746 the determination of net win and the basis and amount of the
747 payments the Tribe is required to make to the state pursuant to
748 Part XI and as defined by this compact.

749 (2) A copy of the audit report for the conduct of covered
750 games shall be submitted to the commission and the state
751 compliance agency within 30 calendar days after completion.
752 Representatives of the state compliance agency may, upon
753 request, meet with the Tribe and its auditors to discuss the
754 audit or any matters in connection therewith; provided that such
755 discussions are limited to covered games information. The annual
756 independent audit shall be performed by an independent firm
757 selected by the state which has experience in auditing casino
758 operations, subject to the consent of the Tribe, which shall not
759 be unreasonably withheld. The Tribe shall pay for the cost of
760 the annual independent audit.

761 (3) As provided herein, the state compliance agency may
762 monitor the conduct of covered games to ensure that the covered
763 games are conducted in compliance with the provisions of this
764 compact. In order to properly monitor the conduct of covered



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765 games, agents of the state compliance agency shall have
766 reasonable access, without prior notice, to all public areas of
767 the facilities related to the conduct of covered games.

768 (a) The state compliance agency may review whether the
769 Tribe's facilities are in compliance with the provisions of this
770 compact and the Tribe's rules and regulations applicable to
771 covered games and may advise on such issues as it deems
772 appropriate. In the event of a dispute or disagreement between
773 Tribal and state compliance agency regulators, the dispute or
774 disagreement shall be resolved in accordance with the dispute
775 resolution provisions of Part XIII.

776 (b) In order to fulfill its oversight responsibilities, the
777 state compliance agency may perform on a routine basis specific
778 oversight testing procedures as set forth in paragraph (c).

779 (c)1. The state compliance agency may inspect any covered
780 games in operation at the facilities on a random basis, provided
781 that such inspections may not exceed one inspection per facility
782 per calendar month and the inspection may not exceed ten hours
783 spread over those two consecutive days, unless the state
784 compliance agency determines that additional inspection hours
785 are needed to address the issues of substantial noncompliance,
786 provided that the state compliance agency provides the Tribe
787 with written notification of the need for additional inspection
788 hours and a written summary of the substantial noncompliance
789 issues that need to be addressed during the additional
790 inspection hours. The total number of hours of random
791 inspections and audit reviews per year may not exceed 1,200
792 hours. Inspection hours shall be calculated on the basis of the
793 actual amount of time spent by the state compliance agency



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794 conducting the inspections at a facility, without accounting for
795 a multiple for the number of state compliance agency inspectors
796 or agents engaged in the inspection activities. The purpose of
797 the random inspections is to confirm that the covered games
798 function properly pursuant to the manufacturer's technical
799 standards and are conducted in compliance with the Tribe's
800 Internal Control Policies and Procedures and any other
801 standards, policies, or procedures adopted by the Tribe, the
802 commission, or the National Indian Gaming Commission which
803 govern the play of covered games. The state compliance agency
804 shall provide notice to the commission of such inspection at or
805 before the commencement of a random inspection and a commission
806 agent may accompany the inspection.

807 2. For each facility, the state compliance agency may
808 perform one annual review of the Tribe's slot machine compliance
809 audit.

810 3. At least annually, the state compliance agency may meet
811 with the Tribe's Internal Audit Department for Gaming to review
812 internal controls and the record of violations for each
813 facility.

814 (d) The state compliance agency shall cooperate with and
815 obtain the assistance of the commission in the resolution of any
816 conflicts in the management of the facilities, and the state and
817 the Tribe shall make their best efforts to resolve disputes
818 through negotiation whenever possible. Therefore, to foster a
819 spirit of cooperation and efficiency, the state compliance
820 agency and Tribe shall resolve disputes between the state
821 compliance agency staff and commission regulators about the day-
822 to-day regulation of the facilities through meeting and



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823 conferring in good faith. Notwithstanding, the parties may seek
824 other relief that may be available when circumstances require
825 such relief. In the event of a dispute or disagreement between
826 tribal and state compliance agency regulators, the dispute or
827 disagreement shall be resolved in accordance with the dispute
828 resolution provisions of Part XIII.

829 (e) The state compliance agency shall have access to each
830 facility during the facility's operating hours only. No advance
831 notice is required when the state compliance agency inspection
832 is limited to public areas of the facility; however,
833 representatives of the state compliance agency shall provide
834 notice and photographic identification to the commission of
835 their presence before beginning any such inspections.

836 (f) The state compliance agency agents, to ensure that a
837 commission officer is available to accompany the state
838 compliance agency agents at all times, shall provide one hour
839 notice and photographic identification to the commission before
840 entering any nonpublic area of a facility. Agents of the state
841 compliance agency shall be accompanied in nonpublic areas of the
842 facility by a commission officer.

843 (g) Any suspected or claimed violations of this compact or
844 law shall be directed in writing to the commission. The state
845 compliance agency, in conducting the functions assigned them
846 under this compact, shall not unreasonably interfere with the
847 functioning of any facility.

848 (4) Subject to the provisions herein, the state compliance
849 agency may review and request copies of documents of the
850 facility related to its conduct of covered games during normal
851 business hours unless otherwise allowed by the Tribe. The Tribe



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852 may not refuse said inspection and copying of such documents,
853 provided that the inspectors do not require copies of documents
854 in such volume that it unreasonably interferes with the normal
855 functioning of the facilities or covered games. To the extent
856 that the Tribe provides the state with information that the
857 Tribe claims to be confidential and proprietary, or a trade
858 secret, the Tribe shall clearly mark such information with the
859 following designation: "Trade Secret, Confidential, and
860 Proprietary." If the state receives a request under chapter 119
861 that would include such designated information, the state shall
862 promptly notify the Tribe of such a request and the Tribe shall
863 promptly notify the state about its intent to seek judicial
864 protection from disclosure. Upon such notice from the Tribe, the
865 state may not release the requested information until a judicial
866 determination is made. This designation and notification
867 procedure does not excuse the state from complying with the
868 requirements of the state's public records law, but is intended
869 to provide the Tribe the opportunity to seek whatever judicial
870 remedy it deems appropriate. Notwithstanding the foregoing
871 procedure, the state compliance agency may provide copies of
872 tribal documents to federal law enforcement and other state
873 agencies or state consultants that the state deems reasonably
874 necessary in order to conduct or complete any investigation of
875 suspected criminal activity in connection with the Tribe's
876 covered games or the operation of the facilities or in order to
877 assure the Tribe's compliance with this compact.

878 (5) At the completion of any state compliance agency
879 inspection or investigation, the state compliance agency shall
880 forward any written report thereof to the commission, containing



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881 all pertinent, nonconfidential, nonproprietary information
882 regarding any violation of applicable laws or this compact which
883 was discovered during the inspection or investigation unless
884 disclosure thereof would adversely impact an investigation of
885 suspected criminal activity. Nothing herein prevents the state
886 compliance agency from contacting tribal or federal law
887 enforcement authorities for suspected criminal wrongdoing
888 involving the commission.

889 (6) Except as expressly provided in this compact, nothing
890 in this compact shall be deemed to authorize the state to
891 regulate the Tribe's government, including the commission, or to
892 interfere in any way with the Tribe's selection of its
893 governmental officers, including members of the commission.

894
895 PART IX
896

897 JURISDICTION.—The obligations and rights of the state and
898 the Tribe under this compact are contractual in nature and are
899 to be construed in accordance with the laws of the state. This
900 compact does not alter tribal, federal, or state civil
901 adjudicatory or criminal jurisdiction in any way.

902
903 PART X
904

905 LICENSING.—The Tribe and the commission shall comply with
906 the licensing and hearing requirements set forth in 25 C.F.R.
907 parts 556 and 558, as well as the applicable licensing and
908 hearing requirements set forth in Articles IV, V, and VI of the
909 Seminole Tribal Gaming Code. The commission shall notify the



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910 state compliance agency of any disciplinary hearings or
911 revocation or suspension of licenses.

912

913 PART XI

914

915 PAYMENTS TO THE STATE OF FLORIDA.—

916 (1) The parties acknowledge and recognize that this compact
917 provides the Tribe with partial but substantial exclusivity and
918 other valuable consideration consistent with the goals of the
919 Indian Gaming Regulatory Act, including special opportunities
920 for tribal economic development through gaming within the
921 external boundaries of the state with respect to the play of
922 covered games. In consideration thereof, the Tribe covenants and
923 agrees, subject to the conditions agreed upon in Part XII, to
924 make payments to the state derived from net win as set forth in
925 subsections (2) and (7). The Tribe further agrees that it will
926 not purchase or lease any new Class II video bingo terminals or
927 their equivalents for use at its facilities after the effective
928 date of this compact.

929 (2) The Tribe shall make periodic revenue share payments to
930 the state derived from net win as set forth in this subsection,
931 and any such payments shall be made to the state via electronic
932 funds transfer. Of the amounts paid by the Tribe to the state,
933 three percent shall be distributed to local governments,
934 including both counties and municipalities, in the state
935 affected by the Tribe's operation of covered games. Revenue
936 share payments by the Tribe to the state shall be calculated as
937 follows:

938 (a) During the initial payment period, the Tribe agrees to



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939 pay the state a revenue share payment in accordance with this
940 subparagraph.

941 1. 13 percent of all amounts up to \$2 billion of net win
942 received by the Tribe from the operation and play of covered
943 games during each revenue sharing cycle;

944 2. 17.5 percent of all amounts greater than \$2 billion up
945 to and including \$3.5 billion of net win received by the Tribe
946 from the operation and play of covered games during each revenue
947 sharing cycle;

948 3. 20 percent of all amounts greater than \$3.5 billion up
949 to and including \$4 billion of net win received by the Tribe
950 from the operation and play of covered games during each revenue
951 sharing cycle;

952 4. 22.5 percent of all amounts greater than \$4 billion up
953 to and including \$4.5 billion of net win received by the Tribe
954 from the operation and play of covered games during each revenue
955 sharing cycle; or

956 5. 25 percent of all amounts greater than \$4.5 billion of
957 net win received by the Tribe from the operation and play of
958 covered games during each revenue sharing cycle.

959 (b) During the guarantee payment period, the Tribe agrees
960 to make fixed payments in accordance with this paragraph. In
961 addition, within 90 days after the end of the guarantee payment
962 period, the Tribe shall make an additional payment to the state
963 equal to the amount above \$3 billion, if any, that would have
964 been owed by the Tribe to the state had the percentages set
965 forth in paragraph (c) been applicable during the guarantee
966 payment period.

967 1. A payment of \$325 million during the first revenue



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968 sharing cycle;
969 2. A payment of \$350 million during the second revenue
970 sharing cycle;
971 3. A payment of \$375 million during the third revenue
972 sharing cycle;
973 4. A payment of \$425 million during the fourth revenue
974 sharing cycle;
975 5. A payment of \$475 million during the fifth revenue
976 sharing cycle;
977 6. A payment of \$500 million during the sixth revenue
978 sharing cycle; and
979 7. A payment of \$550 million during the seventh revenue
980 sharing cycle.
981 (c) During the regular payment period, the Tribe agrees to
982 pay a revenue share payment, for each revenue sharing cycle, to
983 the state equal to the amount calculated in accordance with this
984 paragraph.
985 1. 13 percent of all amounts up to \$2 billion of net win
986 received by the Tribe from the operation and play of covered
987 games during each revenue sharing cycle;
988 2. 17.5 percent of all amounts greater than \$2 billion up
989 to and including \$3.5 billion of net win received by the Tribe
990 from the operation and play of covered games during each revenue
991 sharing cycle;
992 3. 20 percent of all amounts greater than \$3.5 billion up
993 to and including \$4 billion of net win received by the Tribe
994 from the operation and play of covered games during each revenue
995 sharing cycle;
996 4. 22.5 percent of all amounts greater than \$4 billion up



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997 to and including \$4.5 billion of net win received by the Tribe
998 from the operation and play of covered games during each revenue
999 sharing cycle; or

1000 5. 25 percent of all amounts greater than \$4.5 billion of
1001 net win received by the Tribe from the operation and play of
1002 covered games during each revenue sharing cycle.

1003 (3) The Tribe shall remit monthly payments as follows:

1004 (a) On or before the 15th day of the month following each
1005 month of the revenue sharing cycle, the Tribe will remit to the
1006 state or its assignee the monthly payment. For purposes of this
1007 section, the monthly payment shall be 8.3 percent of the
1008 estimated revenue share payment to be paid by the Tribe during
1009 such revenue sharing cycle.

1010 (b) The Tribe shall make available to the state at the time
1011 of the monthly payment the basis for the calculation of the
1012 payment.

1013 (c) The Tribe shall, on a monthly basis, reconcile the
1014 calculation of the estimated revenue share payment based on the
1015 Tribe's unaudited financial statements related to covered games.

1016 (4) The Tribe shall have an audit conducted as follows:

1017 (a) On or before the 45th day after the third month, sixth
1018 month, ninth month, and twelfth month of each revenue sharing
1019 cycle, provided that the 12-month period does not coincide with
1020 the Tribe's fiscal year end date as indicated in paragraph (c),
1021 the Tribe shall provide the state with an audit report by its
1022 independent auditors as to the annual revenue share calculation.

1023 (b) For each quarter within revenue sharing cycle, the
1024 Tribe shall engage its independent auditors to conduct a review
1025 of the unaudited net revenue from covered games. On or before



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1026 the 120th day after the end of the Tribe's fiscal year, the
1027 Tribe shall require its independent auditors to provide an audit
1028 report with respect to net win for covered games and the related
1029 payment of the annual revenue share.

1030 (c) If the twelfth month of the revenue sharing cycle does
1031 not coincide with the Tribe's fiscal year, the Tribe shall
1032 deduct net win from covered games for any of the months outside
1033 of the revenue sharing cycle and include net win from covered
1034 games for those months outside of the Tribe's audit period but
1035 within the revenue sharing cycle, before issuing the audit
1036 report.

1037 (d) No later than 30 calendar days after the day the audit
1038 report is issued, the Tribe shall remit to the state any
1039 underpayment of the annual revenue share, and the state shall
1040 either reimburse to the Tribe any overpayment of the annual
1041 revenue share or authorize the overpayment to be deducted from
1042 the next successive monthly payment or payments.

1043 (5) If, after any change in state law to affirmatively
1044 allow internet or online gaming, or any functionally equivalent
1045 remote gaming system that permits a person to play from home or
1046 any other location that is remote from a casino or other
1047 commercial gaming facility, but excluding any fantasy contest
1048 conducted pursuant to s. 546.13, the Tribe's net win from the
1049 operation of covered games at all of its facilities combined
1050 drops more than five percent below its net win from the previous
1051 12-month period, the Tribe shall no longer be required to make
1052 payments to the state based on the guaranteed minimum compact
1053 term payment and shall not be required to make the guaranteed
1054 minimum compact term payment. However, the Tribe shall continue



1055 to make payments based on the percentage revenue share amount.
1056 The Tribe shall resume making the guaranteed minimum compact
1057 term payment for any subsequent revenue sharing cycle in which
1058 its net win rises above the level described in this subsection.
1059 This subsection does not apply if:
1060 (a) The decline in net win is due to acts of God, war,
1061 terrorism, fires, floods, or accidents causing damage to or
1062 destruction of one or more of its facilities or property
1063 necessary to operate the facility of facilities; or
1064 (b) The Tribe offers internet or online gaming or any
1065 functionally equivalent remote gaming system that permits a
1066 person to game from home or any other location that is remote
1067 from any of the Tribe's facilities, as authorized by law.
1068 (6) The annual oversight assessment, which shall not exceed
1069 \$250,000 per year, indexed for inflation as determined by the
1070 Consumer Price Index, shall be determined and paid in quarterly
1071 installments within 30 calendar days after receipt by the Tribe
1072 of an invoice from the state compliance agency. The Tribe
1073 reserves the right to audit the invoices on an annual basis, a
1074 copy of which will be provided to the state compliance agency,
1075 and any discrepancies found therein shall be reconciled within
1076 45 calendar days after receipt of the audit by the state
1077 compliance agency.
1078 (7) The Tribe shall make an annual donation to the Florida
1079 Council on Compulsive Gaming as an assignee of the state in an
1080 amount not less than \$250,000 per facility.
1081 (8) Except as expressly provided in this part, nothing in
1082 this compact shall be deemed to require the Tribe to make
1083 payments of any kind to the state or any of its agencies.



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PART XII

REDUCTION OF TRIBAL PAYMENTS BECAUSE OF LOSS OF EXCLUSIVITY
OR OTHER CHANGES IN STATE LAW.—The intent of this compact is to
provide the Tribe with the right to operate covered games on an
exclusive basis throughout the state, subject to the exceptions
and provisions in this part.

(1) For purposes of this part, the terms "Class III gaming"
or "other casino-style gaming" include, but are not limited to,
slot machines, electronically assisted bingo, electronically
assisted pull-tab games, noncard table games, video lottery
terminals, or any similar games, whether or not such games are
determined through the use of a random number generator. For the
purposes of this part, the terms "Class III gaming" and "other
casino-style gaming" do not include fantasy contests conducted
pursuant to s. 546.13 or designated player games of poker
authorized pursuant to s. 849.086, as those statutes are in
effect on January 1, 2019.

(a) If, after January 1, 2019, state law is amended,
implemented, or interpreted to allow the operation of Class III
gaming or other casino-style gaming at any location under the
jurisdiction of the state that was not in operation as of
January 1, 2019, or a new form of Class III gaming or other
casino-style gaming that was not in operation as of January 1,
2019, and such gaming is offered to the public as a result of
the amendment, implementation, or interpretation, the Tribe, no
fewer than 30 days after the commencement of such new gaming or
90 days after the state's receipt of written notice from the



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1113 Tribe pursuant to paragraph (b), whichever occurs later, may
1114 elect to begin making the affected portion of its payments due
1115 to the state pursuant to subsections (2) and (7) of Part XI,
1116 into an escrow account.

1117 (b) In order to exercise the provisions of paragraph (a),
1118 the Tribe must first notify the state, within 90 days after such
1119 amendment, implementation, or interpretation of state law, of
1120 the Tribe's objections to such action or interpretation and
1121 further specify the basis for the Tribe's contention that such
1122 action or interpretation infringes upon the substantial
1123 exclusivity afforded under this compact. As part of its written
1124 notice, the Tribe must also indicate, if applicable, its
1125 intention to begin making the affected portion of its payments
1126 due to the state into an escrow account.

1127 (c) Upon receipt of written notice from the Tribe, the
1128 state may elect to:

1129 1. Invoke the dispute resolution provisions of Part XIII to
1130 determine whether the Tribe's contention is well-founded. In
1131 such proceeding, the Tribe carries the burden of proof and
1132 persuasion. The pendency of such proceeding tolls the time
1133 periods set forth in paragraph (1) (a) of Part XII for the
1134 duration of the dispute or litigation; or

1135 2. Seek through enforcement action, legislation, or other
1136 means to stop the conduct of such new games.

1137 (d)1. If, within 15 months following the state's receipt of
1138 written notice from the Tribe, the Tribe's contention is deemed
1139 not to be well-founded at the conclusion of dispute resolution
1140 or new gaming is made illegal and is halted, then all funds
1141 being held in the escrow account shall be released to the state



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1142 and all further payments due to the state pursuant to
1143 subsections (2) and (7) of Part XI shall promptly resume.

1144 2. If, after 15 months following the state's receipt of
1145 written notice from the Tribe, the Tribe's contention is deemed
1146 to be well-founded at the conclusion of dispute resolution and
1147 such gaming is not made illegal and halted, then all funds being
1148 held in escrow shall be returned to the Tribe and all further
1149 payments due to the state pursuant to subsections (2) and (7) of
1150 Part XI shall cease or be reduced as provided in subsection (2)
1151 until such gaming is no longer operated, in which event the
1152 payments shall promptly resume.

1153 (2) The following are exceptions to the exclusivity
1154 provisions of subsection (1):

1155 (a) Any Class III gaming authorized by a compact between
1156 the state and any other federally recognized tribe pursuant to
1157 Indian Gaming Regulatory Act, provided that the tribe has land
1158 in federal trust in the state as of January 1, 2018.

1159 (b) The operation of slot machines, which does not include
1160 any game played with tangible playing cards, at each of the four
1161 currently operating licensed pari-mutuel facilities in Broward
1162 County and the four currently operating licensed pari-mutuel
1163 facilities in Miami-Dade County, whether or not currently
1164 operating slot machines, provided that such licenses are not
1165 transferred or otherwise used to move or operate such slot
1166 machines at any other location.

1167 (c)1. If state law is amended to allow for the play of any
1168 additional type of Class III or other casino-style gaming at any
1169 of the presently operating licensed pari-mutuel facilities in
1170 Broward and Miami-Dade Counties, the Tribe may be entitled to a



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1171 reduction in the revenue sharing payment as described in
1172 subparagraph 2.

1173 2. If the Tribe's annual net win from its facilities
1174 located in Broward County for the 12 month period after the
1175 gaming specified in subparagraph 1. begins to be offered for
1176 public or private use is less than the net revenue base, the
1177 revenue share payments due to the state, pursuant to paragraph
1178 (2) (b) of Part XI, for the next revenue sharing cycle and future
1179 revenue sharing cycles shall be calculated by reducing the
1180 Tribe's payment on revenue generated from its facilities in
1181 Broward County by 50 percent of that reduction in annual net win
1182 from its facilities in Broward County. This paragraph does not
1183 apply if the decline in net win is due to acts of God, war,
1184 terrorism, fires, floods, or accidents causing damage to or
1185 destruction of one or more of its facilities or property
1186 necessary to operate the facility or facilities.

1187 3. If the Tribe's annual net win from its facilities
1188 located in Broward County subsequently equals or exceeds the net
1189 revenue base, then the Tribe's payments due to the state
1190 pursuant to paragraph (2) (b) of Part XI shall again be
1191 calculated without any reduction, but may be reduced again under
1192 the provisions set forth in subparagraph 2.

1193 (d) If state law is amended to allow the play of Class III
1194 gaming or other casino-style gaming, as defined in this part, at
1195 any location in Miami-Dade County or Broward County under the
1196 jurisdiction of the state that is not presently licensed for the
1197 play of such games at such locations, other than those
1198 facilities set forth in paragraph (c) and this paragraph, and
1199 such games were not in play as of January 1, 2018, and such



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1200 gaming begins to be offered for public or private use, the
1201 payments due the state pursuant to subparagraph (c)2., shall be
1202 calculated by excluding the net win from the Tribe's facilities
1203 in Broward County.

1204 (e) The operation of a combined total of not more than 350
1205 historic racing machines, connected to a central server at that
1206 facility, and electronic bingo machines at each pari-mutuel
1207 facility licensed as of January 1, 2018, and not located in
1208 either Broward County or Miami-Dade County.

1209 (f) The operation of pari-mutuel wagering activities at
1210 pari-mutuel facilities licensed by the state.

1211 (g) The operation by the Department of the Lottery of those
1212 types of lottery games authorized under chapter 24 as of January
1213 1, 2018, but not including any player-activated or operated
1214 machine or device other than a lottery vending machine or any
1215 banked or banking card or table game. However, not more than ten
1216 lottery vending machines may be installed at any facility or
1217 location and no lottery vending machine that dispenses
1218 electronic instant tickets may be installed at any licensed
1219 pari-mutuel facility.

1220 (h) The operation of games of poker, including designated
1221 player games of poker, as authorized by chapter 849 as of
1222 January 1, 2019.

1223 (i) The operation of games permitted by chapters 546 and
1224 849, Florida Statutes, as of January 1, 2019.

1225 (j) The following events shall not trigger any remedy under
1226 this compact and do not affect the exclusivity provisions of
1227 this compact:

1228 1. Any change to the tax rate paid to the state by the



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1229 licensed pari-mutuel permitholders for the operation of slot
1230 machines, provided the effective tax rate is not less than 25
1231 percent. If the effective tax rate is less than 25 percent, then
1232 the Tribe shall be relieved of its obligations to make the
1233 guaranteed minimum compact term payment and any further
1234 guaranteed revenue sharing cycle payment, but instead shall make
1235 payments to the state for all future revenue sharing cycles
1236 based on the percentage payments set forth in paragraph (2)(c)
1237 of Part XI, but shall be permitted to exclude all revenue
1238 generated by slot machines at its facilities in Broward County;
1239 and

1240 2. Any change in state law that removes the requirement for
1241 pari-mutuel permitholders to conduct performances of live races
1242 or games in order to operate other authorized gaming activities.

1243 (3) To the extent that the exclusivity provisions of this
1244 part are breached or otherwise violated and the Tribe's ongoing
1245 payment obligations to the state pursuant to subsections (2) and
1246 (7) of Part XI cease, any outstanding payments that would have
1247 been due the state from the Tribe's facilities before the breach
1248 or violation shall be made within 30 business days after the
1249 breach or violation.

1250 (4) The breach of this part's exclusivity provisions and
1251 the cessation of payments pursuant to subsections (2) and (7) of
1252 Part XI shall not excuse the Tribe from continuing to comply
1253 with all other provisions of this compact, including continuing
1254 to pay the state the annual oversight assessment as set forth in
1255 subsection (6) of Part XI.

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PART XIII



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1259 DISPUTE RESOLUTION.—In the event that the Tribe or State
1260 believes that the other party has failed to comply with any
1261 requirements of this compact, or in the event of any dispute
1262 hereunder, including, but not limited to, a dispute over the
1263 proper interpretation of the terms and conditions of this
1264 compact, the goal of the parties is to resolve all disputes
1265 amicably and voluntarily whenever possible. In pursuit of this
1266 goal, the following procedures may be invoked:
1267 (1) A party asserting noncompliance or seeking an
1268 interpretation of this compact first shall serve written notice
1269 on the other party. The notice shall identify the specific
1270 compact provision alleged to have been violated or in dispute
1271 and shall specify in detail the asserting party's contention and
1272 any factual basis for the claim. Representatives of the Tribe
1273 and state shall meet within 30 calendar days after receipt of
1274 notice in an effort to resolve the dispute, unless they mutually
1275 agree to extend this period.
1276 (2) A party asserting noncompliance or seeking an
1277 interpretation of this compact under this part shall be deemed
1278 to have certified that to the best of the party's knowledge,
1279 information, and belief formed after reasonable inquiry, the
1280 claim of noncompliance or the request for interpretation of this
1281 compact is warranted and made in good faith and not for any
1282 improper purpose, such as to harass or to cause unnecessary
1283 delay or the needless incurring of the cost of resolving the
1284 dispute.
1285 (3) If the parties are unable to resolve a dispute through
1286 the process specified in subsections (1) and (2), either party



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1287 may call for mediation under the Commercial Mediation Procedures
1288 of the American Arbitration Association or any successor
1289 procedures, provided that such mediation does not last more than
1290 60 calendar days, unless an extension to this time limit is
1291 negotiated by the parties. Only matters arising under the terms
1292 of this compact may be available for resolution through
1293 mediation. If the parties are unable to resolve a dispute
1294 through the process specified in this part, notwithstanding any
1295 other provision of law, either party may bring an action in a
1296 United States District Court having venue regarding a dispute
1297 arising under this compact. If the court declines to exercise
1298 jurisdiction, or federal precedent exists that holds that the
1299 court would not have jurisdiction over such a dispute, either
1300 party may bring the action in the appropriate court of the
1301 Seventeenth Judicial Circuit in Broward County, Florida. The
1302 parties are entitled to all rights of appeal permitted by law in
1303 the court system in which the action is brought.

1304 (4) For purposes of actions based on disputes between the
1305 state and the Tribe that arise under this compact and the
1306 enforcement of any judgment resulting from such action, the
1307 Tribe and the state each expressly waive the right to assert
1308 sovereign immunity from suit and from enforcement of any ensuing
1309 judgment, and further consent to be sued in federal or state
1310 court, including the right of appeal specified above, as the
1311 case may be, provided that:

1312 (a) The dispute is limited solely to issues arising under
1313 this compact.

1314 (b) There is no claim for monetary damages, except that
1315 payment of any money required by the terms of this compact, as



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1316 well as injunctive relief or specific performance enforcing a
1317 provision of this compact requiring the payment of money to the
1318 state may be sought.

1319 (c) Nothing herein shall be construed to constitute a
1320 waiver of the sovereign immunity of the Tribe with respect to
1321 any third party that is made a party or intervenes as a party to
1322 the action. In the event that intervention, joinder, or other
1323 participation by any additional party in any action between the
1324 state and the Tribe would result in the waiver of the Tribe's
1325 sovereign immunity as to that additional party, the waiver of
1326 the Tribe may be revoked.

1327 (5) The state may not be precluded from pursuing any
1328 mediation or judicial remedy against the Tribe on the grounds
1329 that the state has failed to exhaust its Tribal administrative
1330 remedies.

1331 (6) Notwithstanding any other provision of this part, any
1332 failure of the Tribe to remit the payments pursuant to the terms
1333 of Part XI entitles the state to seek injunctive relief in
1334 federal or state court, at the state's election, to compel the
1335 payments after the dispute resolution process in subsections (1)
1336 and (2) is exhausted.

1337
1338 PART XIV
1339

1340 CONSTRUCTION OF COMPACT; SEVERANCE; FEDERAL APPROVAL.—

1341 (1) Each provision of this compact shall stand separate and
1342 independent of every other provision. In the event that a
1343 federal district court in Florida or other court of competent
1344 jurisdiction shall find any provision of this compact to be



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1345 invalid, the remaining provisions shall remain in full force and
1346 effect, provided that severing the invalidated provision does
1347 not undermine the overall intent of the parties in entering into
1348 this compact. However, if subsection (6) of Part III, Part XI,
1349 or Part XII are held by a court of competent jurisdiction to be
1350 invalid, this compact will become null and void.

1351 (2) It is understood that Part XII, which provides for a
1352 cessation of the payments to the state under Part XI, does not
1353 create any duty on the state but only a remedy for the Tribe if
1354 gaming under state jurisdiction is expanded.

1355 (3) This compact is intended to meet the requirements of
1356 the Indian Gaming Regulatory Act as it reads on the effective
1357 date of this compact, and where reference is made to the Indian
1358 Gaming Regulatory Act, or to an implementing regulation thereof,
1359 the reference is deemed to have been incorporated into this
1360 document. Subsequent changes to the Indian Gaming Regulatory Act
1361 that diminish the rights of the state or Tribe may not be
1362 applied retroactively to alter the terms of this compact, except
1363 to the extent that federal law validly mandates that retroactive
1364 application without the respective consent of the state or the
1365 Tribe. In the event that a subsequent change in the Indian
1366 Gaming Regulatory Act, or to an implementing regulation thereof,
1367 mandates retroactive application without the respective consent
1368 of the state or the Tribe, the parties agree that this compact
1369 is voidable by either party if the subsequent change materially
1370 alters the provisions in the compact relating to the play of
1371 covered games, revenue sharing payments, suspension or reduction
1372 of payments, or exclusivity.

1373 (4) Neither the presence of language that is not included



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1374 in this compact, nor the absence in this compact of language
1375 that is present in another state-tribal compact shall be a
1376 factor in construing the terms of this compact.

1377 (5) The Tribe and the state shall defend the validity of
1378 this compact.

1379 (6) The parties shall cooperate in seeking approval of this
1380 compact from the Secretary of the Department of the Interior.

1381

1382 PART XV

1383

1384 NOTICES.—All notices required under this compact shall be
1385 given by certified mail, return receipt requested, commercial
1386 overnight courier service, or personal delivery, to the
1387 Governor, the President of the Senate, the Speaker of the House
1388 of Representatives, and the Chairman and General Counsel of the
1389 Seminole Tribe of Florida.

1390

1391 PART XVI

1392

1393 EFFECTIVE DATE AND TERM.—

1394 (1) This compact, if identical to the version ratified by
1395 the Legislature in s. 285.710(3)(c), Florida Statutes, in 2018,
1396 shall become effective upon its approval as a tribal-state
1397 compact within the meaning of the Indian Gaming Regulatory Act
1398 either by action of the Secretary of the Department of the
1399 Interior or by operation of law under 25 U.S.C. s. 2710(d)(8)
1400 upon publication of a notice of approval in the Federal Register
1401 under 25 U.S.C. s. 2710(d)(8)(D).

1402 (2) This compact shall have a term of twenty years



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1403 beginning on the first day of the month following the month in
1404 which the compact becomes effective under subsection (1).

1405 (3) The Tribe's authorization to offer covered games under
1406 this compact shall automatically terminate twenty years after
1407 the effective date unless renewed by an affirmative act of the
1408 Legislature.

1409

1410 PART XVII

1411

1412 AMENDMENT OF COMPACT AND REFERENCES.—

1413 (1) Amendment of this compact may only be made by written
1414 agreement of the parties, subject to approval by the Secretary
1415 of the Department of the Interior, either by publication of the
1416 notice of approval in the Federal Register or by operation of
1417 law under 25 U.S.C. s. 2710(d)(8).

1418 (2) Legislative ratification is required for any amendment
1419 to the compact that alters the provisions relating to covered
1420 games, the amount of revenue sharing payments, suspension or
1421 reduction in payments, or exclusivity.

1422 (3) Changes in the provisions of tribal ordinances,
1423 regulations, and procedures referenced in this compact may be
1424 made by the Tribe with 30 days' advance notice to the state. If
1425 the state has an objection to any change to the tribal
1426 ordinance, regulation, or procedure which is the subject of the
1427 notice on the ground that its adoption would be a violation of
1428 the Tribe's obligations under this compact, the state may invoke
1429 the dispute resolution provisions provided in Part XIII.

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1431 PART XVIII



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MISCELLANEOUS.—

(1) Except to the extent expressly provided in this compact, this compact is not intended to, and shall not be construed to, create any right on the part of a third party to bring an action to enforce any of its terms.

(2) If, after the effective date of this compact, the state enters into a compact with any other Tribe that contains more favorable terms with respect to the provisions of this Compact and the Secretary of the Department of the Interior approves such compact, either by publication of the notice of approval in the Federal Register or by operation of law under 25 U.S.C. s. 2710(d)(8), upon tribal notice to the state and the Secretary, this compact shall be deemed amended to contain the more favorable terms, unless the state objects to the change and can demonstrate, in a proceeding commenced under Part XIII, that the terms in question are not more favorable.

(3) Upon the occurrence of certain events beyond the Tribe's control, including acts of God, war, terrorism, fires, floods, or accidents causing damage to or destruction of one or more of its facilities or property necessary to operate the facility or facilities, the Tribe's obligation to pay the guaranteed minimum compact term payment described in Part XI shall be reduced pro rata to reflect the percentage of the total net win lost to the Tribe from the impacted facility or facilities and the net win specified under subsection (2) of Part XII for purposes of determining whether the Tribe's payments described in Part XI shall cease, shall be reduced pro rata to reflect the percentage of the total net win lost to the



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1461 Tribe from the impacted facility or facilities. The foregoing
1462 shall not excuse any obligations of the Tribe to make payments
1463 to the state as and when required hereunder or in any related
1464 document or agreement.

1465 (4) The Tribe and the state recognize that opportunities to
1466 engage in gaming in smoke-free or reduced-smoke environments
1467 provides both health and other benefits to patrons, and the
1468 Tribe has instituted a nonsmoking section at its Seminole Hard
1469 Rock Hotel & Casino-Hollywood Facility. As part of its
1470 continuing commitment to this issue, the Tribe shall:

1471 (a) Install and utilize a ventilation system at all new
1472 construction at its facilities, which system exhausts tobacco
1473 smoke to the extent reasonably feasible under existing state-of-
1474 the-art technology.

1475 (b) Designate a smoke-free area for slot machines at all
1476 new construction at its facilities.

1477 (c) Install nonsmoking, vented tables for table games
1478 installed in its facilities sufficient to reasonably respond to
1479 demand for such tables.

1480 (d) Designate a nonsmoking area for gaming within all of
1481 its facilities within five years after the effective date of the
1482 compact.

1483 (5) The annual average minimum pay-out of all slot machines
1484 in each facility may not be less than 85 percent.

1485 (6) Nothing in this compact shall alter any of the existing
1486 memoranda of understanding, contracts, or other agreements
1487 entered into between the Tribe and any other federal, state, or
1488 local governmental entity.

1489 (7) The Tribe currently has, as set forth in its Employee



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1490 Fair Treatment and Dispute Resolution Policy, and agrees to
1491 maintain, standards that are comparable to the standards
1492 provided in federal laws and state laws forbidding employers
1493 from discrimination in connection with the employment of persons
1494 working at the facilities on the basis of race, color, religion,
1495 national origin, gender, age, disability, or marital status.
1496 Nothing herein shall preclude the Tribe from giving preference
1497 in employment, promotion, seniority, lay-offs, or retention to
1498 members of the Tribe and other federally recognized tribes.

1499 (8) The Tribe shall, with respect to any facility where
1500 covered games are played, adopt and comply with tribal
1501 requirements that meet the same minimum state requirements
1502 applicable to businesses in the state with respect to
1503 environmental and building standards.

1504
1505 PART XIX
1506

1507 EXECUTION.—The Governor of the State of Florida affirms
1508 that he has authority to act for the state in this matter and
1509 that, provided that this compact is identical to the compact
1510 ratified by the Legislature pursuant to s. 285.710(3)(c),
1511 Florida Statutes, no further action by the state or any state
1512 official is necessary for this compact to take effect upon
1513 federal approval by action of the Secretary of the Department of
1514 the Interior or by operation of law under 25 U.S.C. s.
1515 2710(d)(8) by publication of the notice of approval in the
1516 Federal Register. The Governor affirms that he will proceed with
1517 obtaining such federal approval and take all other appropriate
1518 action to effectuate the purposes and intent of this Compact.



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1519 The undersigned Chairman of the Tribal Council of the Seminole
1520 Tribe of Florida affirms that he is duly authorized and has the
1521 authority to execute this Compact on behalf of the Tribe. The
1522 Chairman also affirms that he will assist in obtaining federal
1523 approval and take all other appropriate action to effectuate the
1524 purposes and intent of this Compact.

1525 Section 2. Subsection (4) of section 285.712, Florida
1526 Statutes, is amended to read:

1527 285.712 Tribal-state gaming compacts.—

1528 (4) Upon execution receipt of an ~~act ratifying~~ a tribal-
1529 state compact entered pursuant to s. 285.710(3)(b), the Governor
1530 shall provide a copy to the Secretary of State who shall forward
1531 a copy of the executed compact and the ratifying act to the
1532 United States Secretary of the Interior for his or her review
1533 and approval, in accordance with 25 U.S.C. s. 2710(d)(8)
1534 ~~2710(8)(d)~~.

1535 Section 3. Section 546.13, Florida Statutes, is created to
1536 read:

1537 546.13 Fantasy contests and fantasy contest operators.—

1538 (1) DEFINITIONS.—As used in this section, the term:

1539 (a) "Entry fee" means cash or a cash equivalent that is
1540 required to be paid by a participant in order to participate in
1541 a fantasy contest.

1542 (b) "Fantasy contest" means a fantasy or simulated game or
1543 contest in which:

1544 1. The value of all prizes and awards offered to winning
1545 participants is established and made known to the participants
1546 in advance of the contest;

1547 2. All winning outcomes reflect the relative knowledge and



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1548 skill of the participants and are determined predominantly by
1549 accumulated statistical results of the performance of
1550 individuals, including athletes in the case of sporting events;

1551 3. No winning outcome is based on the score, point spread,
1552 or any performance or performances of any single actual team or
1553 combination of such teams, solely on any single performance of
1554 an individual athlete or player in any single actual event, or
1555 on the performances of participants in collegiate, high school,
1556 or youth sporting events.

1557 (c) "Fantasy contest operator" means a person or an entity,
1558 including any employee or agent, that offers or conducts a
1559 fantasy contest with an entry fee for a cash prize or award and
1560 that is not a participant in the fantasy contest.

1561 (2) EXEMPTIONS.—The Department of Business and Professional
1562 Regulation may not regulate and the offenses established in s.
1563 849.01, s. 849.08, s. 849.09, s. 849.11, s. 849.14, and s.
1564 849.25 do not include or apply to a fantasy contest operated or
1565 conducted by a:

1566 (a) Fantasy contest operator.

1567 (b) Natural person who is a participant in the fantasy
1568 contest, serves as the commissioner of not more than 10 fantasy
1569 contests in a calendar year, and distributes all entry fees for
1570 the fantasy contest as prizes or awards to the participants in
1571 that fantasy contest.

1572 Section 4. Subsections (1) and (3) of section 550.01215,
1573 Florida Statutes, are amended to read:

1574 550.01215 License application; periods of operation; bond,
1575 conversion of permit.—

1576 (1) Each permitholder shall annually, during the period



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1577 between December 15 and January 4, file in writing with the
1578 division its application for an operating a license to conduct
1579 pari-mutuel wagering during the next state fiscal year,
1580 including intertrack and simulcast race wagering for greyhound
1581 racing permitholders, harness horse racing permitholders,
1582 quarter horse racing permitholders, and jai alai permitholders
1583 that do not to conduct live performances during the next state
1584 fiscal year. Each application for live performances must shall
1585 specify the number, dates, and starting times of all live
1586 performances that which the permitholder intends to conduct. It
1587 must shall also specify which performances will be conducted as
1588 charity or scholarship performances.

1589 (a) In addition, Each application for an operating a
1590 license also must shall include:7

1591 1. For each permitholder, whether the permitholder intends
1592 to accept wagers on intertrack or simulcast events.

1593 2. For each permitholder that elects which elects to
1594 operate a cardroom, the dates and periods of operation the
1595 permitholder intends to operate the cardroom. or

1596 3. For each thoroughbred racing permitholder that which
1597 elects to receive or rebroadcast out-of-state races after 7
1598 p.m., the dates for all performances which the permitholder
1599 intends to conduct.

1600 (b) A greyhound racing permitholder that conducted a full
1601 schedule of live racing for a period of at least 10 consecutive
1602 state fiscal years after the 1996-1997 state fiscal year, or
1603 that converted its permit to a permit to conduct greyhound
1604 racing after the 1996-1997 state fiscal year, may specify in its
1605 application for an operating license that it does not intend to



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1606 conduct live racing, or that it intends to conduct less than a
1607 full schedule of live racing, in the next state fiscal year. A
1608 greyhound racing permitholder may retain its permit; is a pari-
1609 mutuel facility as defined in s. 550.002(23); if such
1610 permitholder has been issued a slot machine license, the
1611 facility where such permit is located remains an eligible
1612 facility as defined in s. 551.102(4), continues to be eligible
1613 for a slot machine license, and is exempt from ss. 551.104(3)
1614 and (4)(c)1. and 551.114(2) and (4); is eligible, but not
1615 required, to be a guest track for purposes of intertrack
1616 wagering and simulcasting pursuant to ss. 550.3551, 550.615, and
1617 550.6305; and remains eligible for a cardroom license
1618 notwithstanding any requirement in s. 849.086 for the conduct of
1619 live performances. A greyhound racing permitholder may receive
1620 an operating license to conduct pari-mutuel wagering activities
1621 at another permitholder's greyhound racing facility pursuant to
1622 s. 550.475.

1623 (c) A jai alai permitholder, harness horse racing
1624 permitholder, or a quarter horse racing permitholder that has
1625 conducted live racing or games for at least 5 years irrevocably
1626 may elect not to conduct live racing or games if the election is
1627 made within 30 days after the effective date of this act. A
1628 permitholder that makes such election may retain its permit; is
1629 a pari-mutuel facility as defined in s. 550.002(23); if such
1630 permitholder has been issued a slot machine license, the
1631 facility where such permit is located remains an eligible
1632 facility as defined in s. 551.102(4), continues to be eligible
1633 for a slot machine license, and is exempt from ss. 551.104(3)
1634 and (4)(c)1. and 551.114(2) and (4); is eligible, but not



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1635 required, to be a guest track and, if the permitholder is a
1636 harness horse racing permitholder, to be a host track for
1637 purposes of intertrack wagering and simulcasting pursuant to ss.
1638 550.3551, 550.615, 550.625, and 550.6305; and remains eligible
1639 for a cardroom license notwithstanding any requirement in s.
1640 849.086 to conduct live performances.

1641 (d) Permitholders may ~~shall be entitled to~~ amend their
1642 applications through February 28.

1643 (3) The division shall issue each license no later than
1644 March 15. Each permitholder shall operate all performances at
1645 the date and time specified on its license. The division shall
1646 have the authority to approve minor changes in racing dates
1647 after a license has been issued. The division may approve
1648 changes in racing dates after a license has been issued when
1649 there is no objection from any operating permitholder located
1650 within 50 miles of the permitholder requesting the changes in
1651 operating dates. In the event of an objection, the division
1652 shall approve or disapprove the change in operating dates based
1653 upon the impact on operating permitholders located within 50
1654 miles of the permitholder requesting the change in operating
1655 dates. In making the determination to change racing dates, the
1656 division shall take into consideration the impact of such
1657 changes on state revenues. Notwithstanding any other provision
1658 of law, and for the 2018-2019 fiscal year only, the division may
1659 approve changes in racing dates for permitholders if the request
1660 for such changes is received before May 31, 2018.

1661 Section 5. Subsections (9), (13), (14), and paragraph (a)
1662 of subsection (11) of section 550.054, Florida Statutes, are
1663 amended to read:



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1664 550.054 Application for permit to conduct pari-mutuel
1665 wagering.—

1666 (9) (a) After a permit has been granted by the division and
1667 has been ratified and approved by the majority of the electors
1668 participating in the election in the county designated in the
1669 permit, the division shall grant to the lawful permitholder,
1670 subject to the conditions of this chapter, a license to conduct
1671 pari-mutuel operations under this chapter, and, except as
1672 provided in s. 550.5251, the division shall fix annually the
1673 time, place, and number of days during which pari-mutuel
1674 operations may be conducted by the permitholder at the location
1675 fixed in the permit and ratified in the election. After the
1676 first license has been issued to the holder of a ratified permit
1677 for racing in any county, all subsequent annual applications for
1678 a license by that permitholder must be accompanied by proof, in
1679 such form as the division requires, that the ratified
1680 permitholder still possesses all the qualifications prescribed
1681 by this chapter and that the permit has not been recalled at a
1682 later election held in the county.

1683 (b) The division may revoke or suspend any permit or
1684 license issued under this chapter upon a the willful violation
1685 by the permitholder or licensee of any provision of chapter 551,
1686 chapter 849, or this chapter or rules of any rule adopted
1687 pursuant to those chapters. With the exception of the revocation
1688 of permits required in paragraphs (c) and (e) under this
1689 chapter. In lieu of suspending or revoking a permit or license,
1690 the division, in lieu of suspending or revoking a permit or
1691 license, may impose a civil penalty against the permitholder or
1692 licensee for a violation of this chapter or rules adopted



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1693 pursuant thereto any rule adopted by the division. The penalty
1694 so imposed may not exceed \$1,000 for each count or separate
1695 offense. All penalties imposed and collected must be deposited
1696 with the Chief Financial Officer to the credit of the General
1697 Revenue Fund.

1698 (c)1. The division shall revoke the permit of any
1699 permitholder that fails to make payments due pursuant to chapter
1700 550, chapter 551, or s. 849.086 for more than 24 consecutive
1701 months unless such failure was the direct result of fire,
1702 strike, war, or other disaster or event beyond the
1703 permitholder's control. Financial hardship to the permitholder
1704 does not, in and of itself, constitute just cause for failure to
1705 make payments.

1706 2. The division shall revoke the permit of any permitholder
1707 that has not obtained an operating license in accordance with s.
1708 550.01215 for a period of more than 24 consecutive months after
1709 June 30, 2012. The division shall revoke the permit upon
1710 adequate notice to the permitholder. Financial hardship to the
1711 permitholder does not, in and of itself, constitute just cause
1712 for failure to operate.

1713 (d) A new permit to conduct pari-mutuel wagering may not be
1714 approved or issued after January 1, 2018.

1715 (e) A permit revoked under this subsection is void and may
1716 not be reissued.

1717 (11) (a) A permit granted under this chapter may not be
1718 transferred or assigned except upon written approval by the
1719 division pursuant to s. 550.1815, ~~except that the holder of any~~
1720 ~~permit that has been converted to a jai alai permit may lease or~~
1721 ~~build anywhere within the county in which its permit is located.~~



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1722 (13) ~~(a)~~ Notwithstanding any provisions of this chapter or
1723 chapter 551, a pari-mutuel ~~no thoroughbred horse racing~~ permit
1724 or license issued under this chapter may not ~~shall~~ be
1725 transferred, or reissued when such reissuance is in the nature
1726 of a transfer so as to permit or authorize a licensee to change
1727 the location of a pari-mutuel facility, or a cardroom or slot
1728 machine facility, except through the relocation of the pari-
1729 mutuel permit pursuant to s. 550.0555 ~~thoroughbred horse~~
1730 ~~racetrack except upon proof in such form as the division may~~
1731 ~~prescribe that a referendum election has been held:~~

1732 1. ~~If the proposed new location is within the same county~~
1733 ~~as the already licensed location, in the county where the~~
1734 ~~licensee desires to conduct the race meeting and that a majority~~
1735 ~~of the electors voting on that question in such election voted~~
1736 ~~in favor of the transfer of such license.~~

1737 2. ~~If the proposed new location is not within the same~~
1738 ~~county as the already licensed location, in the county where the~~
1739 ~~licensee desires to conduct the race meeting and in the county~~
1740 ~~where the licensee is already licensed to conduct the race~~
1741 ~~meeting and that a majority of the electors voting on that~~
1742 ~~question in each such election voted in favor of the transfer of~~
1743 ~~such license.~~

1744 ~~(b) Each referendum held under the provisions of this~~
1745 ~~subsection shall be held in accordance with the electoral~~
1746 ~~procedures for ratification of permits, as provided in s.~~
1747 ~~550.0651. The expense of each such referendum shall be borne by~~
1748 ~~the licensee requesting the transfer.~~

1749 (14) ~~(a)~~ Notwithstanding any other provision of law, a pari-
1750 mutuel permit, cardroom, or slot machine facility may not be



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1751 ~~relocated, and a pari-mutuel permit may not be converted to~~
1752 ~~another class of permit. Any holder of a permit to conduct jai~~
1753 ~~alai may apply to the division to convert such permit to a~~
1754 ~~permit to conduct greyhound racing in lieu of jai alai if:~~
1755 ~~1. Such permit is located in a county in which the division~~
1756 ~~has issued only two pari-mutuel permits pursuant to this~~
1757 ~~section;~~
1758 ~~2. Such permit was not previously converted from any other~~
1759 ~~class of permit; and~~
1760 ~~3. The holder of the permit has not conducted jai alai~~
1761 ~~games during a period of 10 years immediately preceding his or~~
1762 ~~her application for conversion under this subsection.~~
1763 ~~(b) The division, upon application from the holder of a jai~~
1764 ~~alai permit meeting all conditions of this section, shall~~
1765 ~~convert the permit and shall issue to the permitholder a permit~~
1766 ~~to conduct greyhound racing. A permitholder of a permit~~
1767 ~~converted under this section shall be required to apply for and~~
1768 ~~conduct a full schedule of live racing each fiscal year to be~~
1769 ~~eligible for any tax credit provided by this chapter. The holder~~
1770 ~~of a permit converted pursuant to this subsection or any holder~~
1771 ~~of a permit to conduct greyhound racing located in a county in~~
1772 ~~which it is the only permit issued pursuant to this section who~~
1773 ~~operates at a leased facility pursuant to s. 550.475 may move~~
1774 ~~the location for which the permit has been issued to another~~
1775 ~~location within a 30-mile radius of the location fixed in the~~
1776 ~~permit issued in that county, provided the move does not cross~~
1777 ~~the county boundary and such location is approved under the~~
1778 ~~zoning regulations of the county or municipality in which the~~
1779 ~~permit is located, and upon such relocation may use the permit~~



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1780 ~~for the conduct of pari-mutuel wagering and the operation of a~~
1781 ~~cardroom. The provisions of s. 550.6305(9) (d) and (f) shall~~
1782 ~~apply to any permit converted under this subsection and shall~~
1783 ~~continue to apply to any permit which was previously included~~
1784 ~~under and subject to such provisions before a conversion~~
1785 ~~pursuant to this section occurred.~~

1786 Section 6. Section 550.0745, Florida Statutes, is repealed.

1787 Section 7. Subsection (3) of section 550.09512, Florida
1788 Statutes, is amended to read:

1789 550.09512 Harness horse taxes; abandoned interest in a
1790 permit for nonpayment of taxes.-

1791 (3) ~~(a)~~ The division shall revoke the permit of a harness
1792 horse racing permitholder who does not pay tax on handle for
1793 live harness horse performances for a full schedule of live
1794 racers for more than 24 consecutive months during any 2
1795 ~~consecutive state fiscal years shall be void and shall escheat~~
1796 ~~to and become the property of the state unless such failure to~~
1797 ~~operate and pay tax on handle was the direct result of fire,~~
1798 ~~strike, war, or other disaster or event beyond the ability of~~
1799 ~~the permitholder to control. Financial hardship to the~~
1800 ~~permitholder does shall not, in and of itself, constitute just~~
1801 ~~cause for failure to operate and pay tax on handle. A permit~~
1802 ~~revoked under this subsection is void and may not be reissued.~~

1803 ~~(b) In order to maximize the tax revenues to the state, the~~
1804 ~~division shall reissue an escheated harness horse permit to a~~
1805 ~~qualified applicant pursuant to the provisions of this chapter~~
1806 ~~as for the issuance of an initial permit. However, the~~
1807 ~~provisions of this chapter relating to referendum requirements~~
1808 ~~for a pari-mutuel permit shall not apply to the reissuance of an~~



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1809 ~~escheated harness horse permit. As specified in the application~~
1810 ~~and upon approval by the division of an application for the~~
1811 ~~permit, the new permitholder shall be authorized to operate a~~
1812 ~~harness horse facility anywhere in the same county in which the~~
1813 ~~escheated permit was authorized to be operated, notwithstanding~~
1814 ~~the provisions of s. 550.054(2) relating to mileage limitations.~~

1815 Section 8. Subsections (3) and (7) of section 550.09515,
1816 Florida Statutes, are amended to read:

1817 550.09515 Thoroughbred horse taxes; abandoned interest in a
1818 permit for nonpayment of taxes.-

1819 (3)~~(a)~~ The division shall revoke the permit of a
1820 thoroughbred racing horse permitholder that who does not pay tax
1821 on handle for live thoroughbred horse performances for a full
1822 schedule of live races for more than 24 consecutive months
1823 ~~during any 2 consecutive state fiscal years shall be void and~~
1824 ~~shall escheat to and become the property of the state unless~~
1825 such failure to operate and pay tax on handle was the direct
1826 result of fire, strike, war, or other disaster or event beyond
1827 the ability of the permitholder to control. Financial hardship
1828 to the permitholder does ~~shall~~ not, in and of itself, constitute
1829 just cause for failure to operate and pay tax on handle. A
1830 permit revoked under this subsection is void and may not be
1831 reissued.

1832 ~~(b) In order to maximize the tax revenues to the state, the~~
1833 ~~division shall reissue an escheated thoroughbred horse permit to~~
1834 ~~a qualified applicant pursuant to the provisions of this chapter~~
1835 ~~as for the issuance of an initial permit. However, the~~
1836 ~~provisions of this chapter relating to referendum requirements~~
1837 ~~for a pari-mutuel permit shall not apply to the reissuance of an~~



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1838 ~~escheated thoroughbred horse permit. As specified in the~~
1839 ~~application and upon approval by the division of an application~~
1840 ~~for the permit, the new permitholder shall be authorized to~~
1841 ~~operate a thoroughbred horse facility anywhere in the same~~
1842 ~~county in which the escheated permit was authorized to be~~
1843 ~~operated, notwithstanding the provisions of s. 550.054(2)~~
1844 ~~relating to mileage limitations.~~

1845 ~~(7) If a thoroughbred permitholder fails to operate all~~
1846 ~~performances on its 2001-2002 license, failure to pay tax on~~
1847 ~~handle for a full schedule of live races for those performances~~
1848 ~~in the 2001-2002 fiscal year does not constitute failure to pay~~
1849 ~~taxes on handle for a full schedule of live races in a fiscal~~
1850 ~~year for the purposes of subsection (3). This subsection may not~~
1851 ~~be construed as forgiving a thoroughbred permitholder from~~
1852 ~~paying taxes on performances conducted at its facility pursuant~~
1853 ~~to its 2001-2002 license other than for failure to operate all~~
1854 ~~performances on its 2001-2002 license. This subsection expires~~
1855 ~~July 1, 2003.~~

1856 Section 9. Section 550.3345, Florida Statutes, is amended
1857 to read:

1858 550.3345 ~~Conversion of quarter horse permit to a Limited~~
1859 ~~thoroughbred racing permit.-~~

1860 (1) In recognition of the important and long-standing
1861 economic contribution of the thoroughbred horse breeding
1862 industry to this state and the state's vested interest in
1863 promoting the continued viability of this agricultural activity,
1864 the state intends to provide a limited opportunity for the
1865 conduct of live thoroughbred horse racing with the net revenues
1866 from such racing dedicated to the enhancement of thoroughbred



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1867 purses and breeders', stallion, and special racing awards under
1868 this chapter; the general promotion of the thoroughbred horse
1869 breeding industry; and the care in this state of thoroughbred
1870 horses retired from racing.

1871 (2) A limited thoroughbred racing permit previously
1872 converted from ~~Notwithstanding any other provision of law, the~~
1873 ~~holder of a quarter horse racing permit pursuant to chapter~~
1874 2010-29, Laws of Florida, issued under s. 550.334 may only be
1875 held by, within 1 year after the effective date of this section,
1876 ~~apply to the division for a transfer of the quarter horse racing~~
1877 ~~permit to a not-for-profit corporation formed under state law to~~
1878 ~~serve the purposes of the state as provided in subsection (1).~~
1879 ~~The board of directors of the not-for-profit corporation must be~~
1880 composed ~~comprised~~ of 11 members, 4 of whom shall be designated
1881 by the applicant, 4 of whom shall be designated by the Florida
1882 Thoroughbred Breeders' Association, and 3 of whom shall be
1883 designated by the other 8 directors, with at least 1 of these 3
1884 members being an authorized representative of another
1885 thoroughbred racing permitholder in this state. A limited
1886 thoroughbred racing ~~The not-for-profit corporation shall submit~~
1887 ~~an application to the division for review and approval of the~~
1888 ~~transfer in accordance with s. 550.054. Upon approval of the~~
1889 ~~transfer by the division, and notwithstanding any other~~
1890 ~~provision of law to the contrary, the not-for-profit corporation~~
1891 ~~may, within 1 year after its receipt of the permit, request that~~
1892 ~~the division convert the quarter horse racing permit to a permit~~
1893 ~~authorizing the holder to conduct pari-mutuel wagering meets of~~
1894 ~~thoroughbred racing. Neither the transfer of the quarter horse~~
1895 ~~racing permit nor its conversion to a limited thoroughbred~~



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1896 ~~permit shall be subject to the mileage limitation or the~~
1897 ~~ratification election as set forth under s. 550.054(2) or s.~~
1898 ~~550.0651. Upon receipt of the request for such conversion, the~~
1899 ~~division shall timely issue a converted permit. The converted~~
1900 ~~permit and the not-for-profit corporation are shall be subject~~
1901 ~~to the following requirements:~~

1902 (a) All net revenues derived by the not-for-profit
1903 corporation under the thoroughbred ~~horse~~ racing permit, after
1904 the funding of operating expenses and capital improvements,
1905 shall be dedicated to the enhancement of thoroughbred purses and
1906 breeders', stallion, and special racing awards under this
1907 chapter; the general promotion of the thoroughbred horse
1908 breeding industry; and the care in this state of thoroughbred
1909 horses retired from racing.

1910 (b) From December 1 through April 30, ~~no~~ live thoroughbred
1911 racing may not be conducted under the permit on any day during
1912 which another thoroughbred racing permitholder is conducting
1913 live thoroughbred racing within 125 air miles of the not-for-
1914 profit corporation's pari-mutuel facility unless the other
1915 thoroughbred racing permitholder gives its written consent.

1916 (c) After ~~the conversion of the quarter horse racing permit~~
1917 ~~and the~~ issuance of its initial license to conduct pari-mutuel
1918 wagering meets of thoroughbred racing, the not-for-profit
1919 corporation shall annually apply to the division for a license
1920 pursuant to s. 550.5251.

1921 (d) Racing under the permit may take place only at the
1922 location for which the original quarter horse racing permit was
1923 issued, which may be leased by the not-for-profit corporation
1924 for that purpose; ~~however, the not-for-profit corporation may,~~



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1925 ~~without the conduct of any ratification election pursuant to s.~~
1926 ~~550.054(13) or s. 550.0651, move the location of the permit to~~
1927 ~~another location in the same county provided that such~~
1928 ~~relocation is approved under the zoning and land use regulations~~
1929 ~~of the applicable county or municipality.~~

1930 (e) A limited thoroughbred racing ~~no~~ permit may not be
1931 transferred ~~converted under this section is eligible for~~
1932 ~~transfer~~ to another person or entity.

1933 (3) Unless otherwise provided in this section, ~~after~~
1934 ~~conversion~~, the permit and the not-for-profit corporation shall
1935 be treated under the laws of this state as a thoroughbred racing
1936 permit and as a thoroughbred racing permitholder, respectively,
1937 with the exception of ss. 550.054(9)(c) and 550.09515(3) ~~s.~~
1938 ~~550.09515(3)~~.

1939 Section 10. Paragraph (c) of subsection (4) of section
1940 551.104, Florida Statutes, is amended to read:

1941 551.104 License to conduct slot machine gaming.-

1942 (4) As a condition of licensure and to maintain continued
1943 authority for the conduct of slot machine gaming, a ~~the~~ slot
1944 machine licensee shall:

1945 (c) 1. Conduct no less ~~fewer~~ than a full schedule of live
1946 racing or games as defined in s. 550.002(11), unless conducting
1947 less than a full schedule of live racing or games pursuant to s.
1948 550.01215(1)(b) or (c). A permitholder's responsibility to
1949 conduct a full schedule ~~such number~~ of live races or games, as
1950 defined in s. 550.002(11), shall be reduced by the number of
1951 races or games that could not be conducted due to the direct
1952 result of fire, war, hurricane, or other disaster or event
1953 beyond the control of the permitholder. A permitholder may



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1954 conduct live races or games at another pari-mutuel facility
1955 pursuant to s. 550.475 if such permitholder has operated its
1956 live races or games by lease for at least 5 consecutive years
1957 immediately prior to the permitholder's application for a slot
1958 machine license.

1959 2.a. If not licensed to conduct a full schedule of live
1960 racing or games, as defined in s. 550.002(11), pursuant to s.
1961 550.01215(1) (b) or (c), remit each month to each qualified
1962 thoroughbred permitholder, by electronic funds transfer, an
1963 amount equal to one-twelfth of the lesser of \$1.5 million or
1964 2.75 percent of its slot machine revenues from the previous
1965 state fiscal year, divided by the total number of qualified
1966 thoroughbred permitholders for the applicable state fiscal year.
1967 Qualified thoroughbred permitholders shall use such payments
1968 exclusively for purses and awards for live thoroughbred horse
1969 races held at the qualified thoroughbred permitholder's racing
1970 facility. For the purposes of this subparagraph, the term
1971 "qualified thoroughbred permitholder" means a thoroughbred
1972 permitholder conducting, in the applicable state fiscal year, no
1973 less than a full schedule of live racing or games, as defined in
1974 s. 550.002(11), and no fewer live thoroughbred horse racing
1975 performances than such permitholder conducted in state fiscal
1976 year 2017-2018. The term does not include a permitholder whose
1977 permit was issued pursuant to s. 550.3345 or a permitholder
1978 leasing at another thoroughbred permitholder's facility pursuant
1979 to s. 550.475.

1980 b. The division shall notify each slot machine licensee
1981 required to remit such payments, not later than 15 days after
1982 issuing the slot machine license, of the qualified thoroughbred



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1983 permitholders to which such payments must be paid. Each
1984 qualified thoroughbred permitholder shall provide each slot
1985 machine licensee required to remit payments pursuant to this
1986 subparagraph with written instructions for transmitting such
1987 electronic payments. Such payments shall be remitted to each
1988 qualified thoroughbred permitholder on the fifth day of each
1989 calendar month. If the fifth day of the calendar month falls on
1990 a weekend, such payment shall be remitted on the first Monday
1991 following the weekend.

1992 c. A qualified thoroughbred permitholder receiving funds
1993 under this subparagraph shall remit, within 10 days after
1994 receipt, 10 percent of those funds to the Florida Thoroughbred
1995 Breeders' Association, Inc., for the payment of breeders',
1996 stallion, and special racing awards, subject to the fee
1997 authorized in s. 550.2625(3).

1998 Section 11. Subsections (1), (2), and (4) of section
1999 551.106, Florida Statutes, are amended to read:

2000 551.106 License fee; tax rate; penalties.-

2001 (1) LICENSE FEE.-

2002 ~~(a) Upon submission of the initial application for a slot~~
2003 ~~machine license, and annually thereafter, on the anniversary~~
2004 ~~date of the issuance of the initial license, the licensee must~~
2005 ~~pay to the division a nonrefundable license fee of \$3 million~~
2006 ~~for the succeeding 12 months of licensure. In the 2010-2011~~
2007 ~~fiscal year, the licensee must pay the division a nonrefundable~~
2008 ~~license fee of \$2.5 million for the succeeding 12 months of~~
2009 ~~licensure. In the 2011-2012 fiscal year and for every fiscal~~
2010 ~~year thereafter, the licensee must pay the division a~~
2011 ~~nonrefundable license fee of \$2 million for the succeeding 12~~



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2012 months of licensure. The license fee must ~~shall~~ be deposited
2013 into the Pari-mutuel Wagering Trust Fund of the Department of
2014 Business and Professional Regulation to be used by the division
2015 and the Department of Law Enforcement for investigations,
2016 regulation of slot machine gaming, and enforcement of slot
2017 machine gaming provisions under this chapter. These payments
2018 must ~~shall~~ be accounted for separately from taxes or fees paid
2019 pursuant to ~~the provisions of~~ chapter 550.

2020 ~~(b) Prior to January 1, 2007, the division shall evaluate~~
2021 ~~the license fee and shall make recommendations to the President~~
2022 ~~of the Senate and the Speaker of the House of Representatives~~
2023 ~~regarding the optimum level of slot machine license fees in~~
2024 ~~order to adequately support the slot machine regulatory program.~~

2025 (2) TAX ON SLOT MACHINE REVENUES.—

2026 (a)1. The tax rate on slot machine revenues at each
2027 facility is ~~shall be~~ 35 percent. Effective January 1, 2019, the
2028 tax rate on slot machine revenues at each facility is 30
2029 percent. Effective July 1, 2020, the tax rate on slot machine
2030 revenues at each facility is 25 percent.

2031 2.a. If, during any state fiscal year, the aggregate amount
2032 of tax paid to the state by ~~all~~ slot machine licensees in
2033 Broward and Miami-Dade Counties is less than the aggregate
2034 amount of tax paid to the state by ~~all slot machine~~ licensees in
2035 those counties in the 2017-2018 2008-2009 fiscal year, each slot
2036 machine licensee shall pay to the state within 45 days after the
2037 end of the state fiscal year a surcharge ~~equal to its pro rata~~
2038 ~~share of an amount equal to the difference between the aggregate~~
2039 ~~amount of tax paid to the state by all slot machine licensees in~~
2040 ~~the 2008-2009 fiscal year and the amount of tax paid during the~~



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2041 ~~fiscal year.~~

2042 b. The amount of the surcharge to be paid by each such
2043 licensee must be calculated by dividing the aggregate amount of
2044 slot machine taxes paid to the state by all such slot machine
2045 licensees in the 2017-2018 fiscal year by the aggregate amount
2046 of slot machine taxes paid by all such licensees during the
2047 applicable state fiscal year, multiplying the result by the
2048 amount of slot machine taxes paid by the licensee during the
2049 applicable state fiscal year, and then subtracting from that
2050 product the amount of slot machine taxes paid by the licensee
2051 during the applicable state fiscal year. However, the sum of the
2052 taxes paid by a licensee pursuant to subparagraph 1. and any
2053 surcharge due from the licensee may not exceed 35 percent of the
2054 slot machine revenue of that licensee in the applicable state
2055 fiscal year ~~Each licensee's pro rata share shall be an amount~~
2056 ~~determined by dividing the number 1 by the number of facilities~~
2057 ~~licensed to operate slot machines during the applicable fiscal~~
2058 ~~year, regardless of whether the facility is operating such~~
2059 ~~machines.~~

2060 (b) The slot machine revenue tax imposed by this section
2061 ~~must shall~~ be paid to the division for deposit into the Pari-
2062 mutuel Wagering Trust Fund for immediate transfer by the Chief
2063 Financial Officer for deposit into the Educational Enhancement
2064 Trust Fund of the Department of Education. Any interest earnings
2065 on the tax revenues ~~must shall~~ also be transferred to the
2066 Educational Enhancement Trust Fund.

2067 (c)1. Funds transferred to the Educational Enhancement
2068 Trust Fund under paragraph (b) ~~must shall~~ be used to supplement
2069 public education funding statewide.



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2070 2. If necessary to comply with any covenant established
2071 pursuant to s. 1013.68(4), s. 1013.70(1), or s. 1013.737(3),
2072 funds transferred to the Educational Enhancement Trust Fund
2073 under paragraph (b) must ~~shall~~ first be available to pay debt
2074 service on lottery bonds issued to fund school construction in
2075 the event lottery revenues are insufficient for such purpose or
2076 to satisfy debt service reserve requirements established in
2077 connection with lottery bonds. Moneys available pursuant to this
2078 subparagraph are subject to annual appropriation by the
2079 Legislature.

2080 (4) TO PAY TAX; PENALTIES.—A slot machine licensee who
2081 fails to make tax and any applicable surcharge payments as
2082 required under this section is subject to an administrative
2083 penalty of up to \$10,000 for each day the tax payment is not
2084 remitted. All administrative penalties imposed and collected
2085 must ~~shall~~ be deposited into the Pari-mutuel Wagering Trust Fund
2086 of the Department of Business and Professional Regulation. If
2087 any slot machine licensee fails to pay penalties imposed by
2088 order of the division under this subsection, the division may
2089 deny, suspend, revoke, or refuse to renew the license of the
2090 permitholder or slot machine licensee.

2091 Section 12. Present subsections (9) through (17) of section
2092 849.086, Florida Statutes, are redesignated as subsections (10)
2093 through (18), respectively, a new subsection (9) is added to
2094 that section, subsections (1) and (2) of that section are
2095 amended, paragraph (g) is added to subsection (4) of that
2096 section, and paragraph (b) of subsection (5), paragraph (c) of
2097 subsection (7), paragraph (a) of subsection (8), present
2098 subsection (12), and paragraphs (d) and (h) of present



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2099 subsection (13) are amended, to read:

2100 849.086 Cardrooms authorized.—

2101 (1) LEGISLATIVE INTENT.—It is the intent of the Legislature
2102 to provide additional entertainment choices for the residents of
2103 and visitors to the state, promote tourism in the state, provide
2104 revenues to support the continuation of live pari-mutuel
2105 activity, and provide additional state revenues through the
2106 authorization of the playing of certain games in the state at
2107 facilities known as cardrooms which are to be located at
2108 licensed pari-mutuel facilities. To ensure the public confidence
2109 in the integrity of authorized cardroom operations, this act is
2110 designed to strictly regulate the facilities, persons, and
2111 procedures related to cardroom operations. Furthermore, the
2112 Legislature finds that authorized games of poker and dominoes ~~as~~
2113 ~~herein defined~~ are considered to be pari-mutuel style games and
2114 not casino gaming because the participants play against each
2115 other instead of against the house.

2116 (2) DEFINITIONS.—As used in this section:

2117 (a) "Authorized game" means a game or series of games of
2118 poker, including designated player games, played in conformance
2119 with this section and in a manner consistent with the rules and
2120 requirements specified in the 1974 edition of Hoyle's Modern
2121 Encyclopedia of Card Games: Rules of All the Basic Games and
2122 Popular Variations and including three card poker, or dominoes
2123 played in conformance with this section ~~or dominoes which are~~
2124 ~~played in a nonbanking manner.~~

2125 (b) "Banking game" means a game in which the house is a
2126 participant in the game, taking on players, paying winners, and
2127 collecting from losers ~~or in which the cardroom establishes a~~



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2128 ~~bank against which participants play.~~ A designated player game
2129 is not a banking game.

2130 (c) "Cardroom" means a facility where authorized games are
2131 played for money or anything of value and to which the public is
2132 invited to participate in such games and charged a fee for
2133 participation by the operator of such facility. Authorized games
2134 and cardrooms do not constitute casino gaming operations if
2135 conducted at an eligible facility.

2136 (d) "Cardroom management company" means any individual not
2137 an employee of the cardroom operator, any proprietorship,
2138 partnership, corporation, or other entity that enters into an
2139 agreement with a cardroom operator to manage, operate, or
2140 otherwise control the daily operation of a cardroom.

2141 (e) "Cardroom distributor" means any business that
2142 distributes cardroom paraphernalia such as card tables, betting
2143 chips, chip holders, dominoes, dominoes tables, drop boxes,
2144 banking supplies, playing cards, card shufflers, and other
2145 associated equipment to authorized cardrooms.

2146 (f) "Cardroom operator" means a licensed pari-mutuel
2147 permitholder that ~~which~~ holds a valid permit and license issued
2148 by the division pursuant to chapter 550 and which also holds a
2149 valid cardroom license issued by the division pursuant to this
2150 section which authorizes such person to operate a cardroom and
2151 to conduct authorized games in such cardroom.

2152 (g) "Designated player" means the player identified for
2153 each game by a button that rotates clockwise before each hand
2154 begins as the player in the dealer position and seated at a
2155 traditional player position in a designated player game who pays
2156 winning players and collects from losing players.



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2157 (h) "Designated player game" means a game in which the
2158 players compare their cards only to the cards of the designated
2159 player or to a combination of cards held by the designated
2160 player and cards common and available for play by all players.

2161 ~~(i)-(g)~~ "Division" means the Division of Pari-mutuel
2162 Wagering of the Department of Business and Professional
2163 Regulation.

2164 ~~(j)-(h)~~ "Dominoes" means a game of dominoes typically played
2165 with a set of 28 flat rectangular blocks, called "bones," which
2166 are marked on one side and divided into two equal parts, with
2167 zero to six dots, called "pips," in each part. The term also
2168 includes larger sets of blocks that contain a correspondingly
2169 higher number of pips. The term also means the set of blocks
2170 used to play the game.

2171 ~~(k)-(i)~~ "Gross receipts" means the total amount of money
2172 received by a cardroom from any person for participation in
2173 authorized games.

2174 ~~(l)-(j)~~ "House" means the cardroom operator and all
2175 employees of the cardroom operator.

2176 ~~(m)-(k)~~ "Net proceeds" means the total amount of gross
2177 receipts received by a cardroom operator from cardroom
2178 operations less direct operating expenses related to cardroom
2179 operations, including labor costs, admission taxes only if a
2180 separate admission fee is charged for entry to the cardroom
2181 facility, gross receipts taxes imposed on cardroom operators by
2182 this section, the annual cardroom license fees imposed by this
2183 section on each table operated at a cardroom, and reasonable
2184 promotional costs excluding officer and director compensation,
2185 interest on capital debt, legal fees, real estate taxes, bad



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2186 debts, contributions or donations, or overhead and depreciation
2187 expenses not directly related to the operation of the cardrooms.

2188 (n)~~(l)~~ "Rake" means a set fee or percentage of the pot
2189 assessed by a cardroom operator for providing the services of a
2190 dealer, table, or location for playing the authorized game.

2191 (o)~~(m)~~ "Tournament" means a series of games that have more
2192 than one betting round involving one or more tables and where
2193 the winners or others receive a prize or cash award.

2194 (4) AUTHORITY OF DIVISION.—The Division of Pari-mutuel
2195 Wagering of the Department of Business and Professional
2196 Regulation shall administer this section and regulate the
2197 operation of cardrooms under this section and the rules adopted
2198 pursuant thereto, and is hereby authorized to:

2199 (g) Establish a reasonable period to respond to requests
2200 from a licensed cardroom; provided however, the division has a
2201 maximum of 45 days to approve:

2202 1. A cardroom's internal controls or provide the cardroom
2203 with a list of deficiencies as to the internal controls.

2204 2. Rules for a new authorized game submitted by a licensed
2205 cardroom or provide the cardroom with a list of deficiencies as
2206 to those rules.

2207
2208 No later than 10 days after the submission of revised internal
2209 controls or revised rules addressing the deficiencies identified
2210 by the division, the division must review and approve or reject
2211 the revised internal controls or revised rules.

2212 (5) LICENSE REQUIRED; APPLICATION; FEES.—No person may
2213 operate a cardroom in this state unless such person holds a
2214 valid cardroom license issued pursuant to this section.



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2215 (b) After the initial cardroom license is granted, the
2216 application for the annual license renewal shall be made in
2217 conjunction with the applicant's annual application for its
2218 pari-mutuel license. If a permitholder has operated a cardroom
2219 during any of the 3 previous fiscal years and fails to include a
2220 renewal request for the operation of the cardroom in its annual
2221 application for license renewal, the permitholder may amend its
2222 annual application to include operation of the cardroom. ~~In~~
2223 ~~order for a cardroom license to be renewed the applicant must~~
2224 ~~have requested, as part of its pari-mutuel annual license~~
2225 ~~application, to conduct at least 90 percent of the total number~~
2226 ~~of live performances conducted by such permitholder during~~
2227 ~~either the state fiscal year in which its initial cardroom~~
2228 ~~license was issued or the state fiscal year immediately prior~~
2229 ~~thereto if the permitholder ran at least a full schedule of live~~
2230 ~~racing or games in the prior year. If the application is for a~~
2231 ~~harness permitholder cardroom, the applicant must have requested~~
2232 ~~authorization to conduct a minimum of 140 live performances~~
2233 ~~during the state fiscal year immediately prior thereto. If more~~
2234 than one permitholder is operating at a facility, each
2235 permitholder must have applied for a license to conduct a full
2236 schedule of live racing.

2237 (7) CONDITIONS FOR OPERATING A CARDROOM.—

2238 (c) A cardroom operator must at all times employ and
2239 provide a nonplaying live dealer at ~~for~~ each table on which
2240 authorized ~~card~~ games ~~which traditionally use a dealer~~ are
2241 conducted ~~at the cardroom~~. Such dealers may not have a
2242 participatory interest in any game other than the dealing of
2243 cards and may not have an interest in the outcome of the game.



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2244 The providing of such dealers by a licensee does not constitute
2245 the conducting of a banking game by the cardroom operator.

2246 (8) METHOD OF WAGERS; LIMITATION.—

2247 (a) ~~No~~ Wagering may not be conducted using money or other
2248 negotiable currency. Games may only be played utilizing a
2249 wagering system whereby all players' money is first converted by
2250 the house to tokens or chips that may ~~which shall~~ be used for
2251 wagering only at that specific cardroom.

2252 (9) DESIGNATED PLAYER GAMES AUTHORIZED.—

2253 (a) A cardroom operator may offer designated player games
2254 consisting of players making wagers against the designated
2255 player. However, not more than 50 percent of the total licensed
2256 tables in a cardroom may offer designated player games. The
2257 designated player must be licensed pursuant to paragraph (6) (b).
2258 Employees of a designated player also must be licensed, and the
2259 designated player shall pay, in addition to the business
2260 occupational fee established pursuant to paragraph (6) (i), an
2261 employee occupational license fee that may not exceed \$500 per
2262 employee for any 12-month period.

2263 (b) A cardroom operator may not serve as a designated
2264 player in any game. The cardroom operator may not have a
2265 financial interest in a designated player in any game. A
2266 cardroom operator may collect a rake in accordance with the rake
2267 structure posted at the table.

2268 (c) If there are multiple designated players at a table,
2269 the dealer button shall be rotated in a clockwise rotation after
2270 each hand.

2271 (d) A cardroom operator may not allow a designated player
2272 to pay an opposing player who holds a lower-ranked hand.



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2273 (e) A designated player may not be required by the rules of
2274 a game or by the rules of a cardroom to cover more than 10 times
2275 the maximum wager for players participating in any one game.

2276 (f) The cardroom, or any cardroom licensee, may not
2277 contract with, or receive compensation other than a posted table
2278 rake from, any player to participate in any game to serve as a
2279 designated player.

2280 (13)-(12) PROHIBITED ACTIVITIES.-

2281 (a) A ~~No~~ person licensed to operate a cardroom may not
2282 conduct any banking game or any game not specifically authorized
2283 by this section.

2284 (b) A ~~No~~ person who is younger than ~~under~~ 18 years of age
2285 may not be permitted to hold a cardroom or employee license, ~~or~~
2286 to engage in any game conducted therein.

2287 (c) With the exception of mechanical card shufflers, ~~No~~
2288 electronic or mechanical devices, ~~except mechanical card~~
2289 ~~shufflers,~~ may not be used to conduct any authorized game in a
2290 cardroom.

2291 (d) ~~No~~ Cards, game components, or game implements may not
2292 be used in playing an authorized game unless they have ~~such has~~
2293 been furnished or provided to the players by the cardroom
2294 operator.

2295 (14)-(13) TAXES AND OTHER PAYMENTS.-

2296 (d)1. Each ~~greyhound and jai alai~~ permitholder that
2297 operates a cardroom facility shall use at least 4 percent of
2298 such permitholder's cardroom monthly gross receipts to
2299 supplement ~~greyhound~~ purses and awards or jai alai prize money,
2300 respectively, during the permitholder's next ensuing pari-mutuel
2301 meet.



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2302 2.a. Any permitholder with a cardroom license and
2303 conducting less than a full schedule of live racing or games, as
2304 defined in s. 550.002(11), pursuant to s. 550.01215(1)(b) or (c)
2305 shall remit each month to each qualified thoroughbred
2306 permitholder, by electronic funds transfer, an amount equal to 4
2307 percent of its monthly cardroom gross receipts divided by the
2308 total number of qualified thoroughbred permitholders for a
2309 license year. Qualified thoroughbred permitholders shall use
2310 such payments exclusively for purses and awards for live
2311 thoroughbred horse races held at the qualified thoroughbred
2312 permitholder's racing facility. For the purposes of this
2313 subparagraph, the term "qualified thoroughbred permitholder"
2314 means a thoroughbred permitholder conducting, in the applicable
2315 state fiscal year, no less than a full schedule of live racing
2316 or games, as defined in s. 550.002(11), and no fewer live
2317 thoroughbred horse racing performances than such permitholder
2318 conducted in state fiscal year 2017-2018. The term does not
2319 include a permitholder whose permit was issued pursuant to s.
2320 550.3345 or a permitholder leasing at another thoroughbred
2321 permitholder's facility pursuant to s. 550.475.

2322 b. The division shall notify each cardroom licensee
2323 required to remit such payments, not later than 15 days after
2324 issuing the cardroom license, of the qualified thoroughbred
2325 permitholders to which such payments must be paid. Each
2326 qualified thoroughbred permitholder shall provide each cardroom
2327 licensee required to remit payments pursuant to this
2328 subparagraph with written instructions for transmitting such
2329 electronic payments. Such payments shall be remitted to each
2330 qualified thoroughbred permitholder on the fifth day of each



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2331 calendar month and shall be based upon the preceding month's
2332 cardroom activities. If the fifth day of the calendar month
2333 falls on a weekend, such payment shall be remitted on the first
2334 Monday following the weekend.

2335 c. A qualified thoroughbred permitholder receiving funds
2336 under this subparagraph shall remit, within 10 days after
2337 receipt, 10 percent of those funds to the Florida Thoroughbred
2338 Breeders' Association, Inc., for the payment of breeders',
2339 stallion, and special racing awards, subject to the fee
2340 authorized in s. 550.2625(3).

2341 3. Each thoroughbred and harness horse racing permitholder
2342 that operates a cardroom facility shall use at least 50 percent
2343 of such permitholder's cardroom monthly net proceeds as follows:
2344 47 percent to supplement purses and 3 percent to supplement
2345 breeders' awards during the permitholder's next ensuing racing
2346 meet.

2347 ~~3. No cardroom license or renewal thereof shall be issued~~
2348 ~~to an applicant holding a permit under chapter 550 to conduct~~
2349 ~~pari-mutuel wagering meets of quarter horse racing unless the~~
2350 ~~applicant has on file with the division a binding written~~
2351 ~~agreement between the applicant and the Florida Quarter Horse~~
2352 ~~Racing Association or the association representing a majority of~~
2353 ~~the horse owners and trainers at the applicant's eligible~~
2354 ~~facility, governing the payment of purses on live quarter horse~~
2355 ~~races conducted at the licensee's pari-mutuel facility. The~~
2356 ~~agreement governing purses may direct the payment of such purses~~
2357 ~~from revenues generated by any wagering or gaming the applicant~~
2358 ~~is authorized to conduct under Florida law. All purses shall be~~
2359 ~~subject to the terms of chapter 550.~~



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2360 (h) One-quarter of the moneys deposited into the Pari-
2361 mutuel Wagering Trust Fund pursuant to paragraph (g) shall, by
2362 October 1 of each year, be distributed to the local government
2363 that approved the cardroom under subsection (17) ~~(16)~~; however,
2364 if two or more pari-mutuel racetracks are located within the
2365 same incorporated municipality, the cardroom funds shall be
2366 distributed to the municipality. If a pari-mutuel facility is
2367 situated in such a manner that it is located in more than one
2368 county, the site of the cardroom facility shall determine the
2369 location for purposes of disbursement of tax revenues under this
2370 paragraph. The division shall, by September 1 of each year,
2371 determine: the amount of taxes deposited into the Pari-mutuel
2372 Wagering Trust Fund pursuant to this section from each cardroom
2373 licensee; the location by county of each cardroom; whether the
2374 cardroom is located in the unincorporated area of the county or
2375 within an incorporated municipality; and, the total amount to be
2376 distributed to each eligible county and municipality.

2377 Section 13. Subsection (1) of section 849.16, Florida
2378 Statutes, is amended to read:

2379 849.16 Machines or devices which come within provisions of
2380 law defined.—

2381 (1) As used in this chapter, the term "slot machine or
2382 device" means any machine or device or system or network of
2383 devices that is adapted for use in such a way that, upon
2384 activation, which may be achieved by, but is not limited to, the
2385 insertion of any piece of money, coin, account number, code, or
2386 other object or information, such device or system is directly
2387 or indirectly caused to operate or may be operated and if the
2388 user, whether by application of skill or by reason of any



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2389 element of chance or any other outcome unpredictable by the
2390 user, regardless of whether the machine or device or system or
2391 networks of devices includes a preview of the outcome or whether
2392 the outcome is known, displayed, or capable of being known or
2393 displayed to the user, may:

2394 (a) Receive or become entitled to receive any piece of
2395 money, credit, allowance, or thing of value; ~~or~~ any check,
2396 slug, token, or memorandum, whether of value or otherwise, which
2397 may be exchanged for any money, credit, allowance, or thing of
2398 value or which may be given in trade; or the opportunity to
2399 purchase a subsequently displayed outcome that may have a
2400 monetary value, regardless of whether such value is equal to,
2401 greater than, or less than the cost of purchasing such outcome;
2402 or

2403 (b) Secure additional chances or rights to use such
2404 machine, apparatus, or device, even though the device or system
2405 may be available for free play or, in addition to any element of
2406 chance or unpredictable outcome of such operation, may also
2407 sell, deliver, or present some merchandise, indication of
2408 weight, entertainment, or other thing of value. The term "slot
2409 machine or device" includes, but is not limited to, devices
2410 regulated as slot machines pursuant to chapter 551.

2411 Section 14. The Division of Law Revision and Information is
2412 directed to replace the phrase "the effective date of this act"
2413 wherever it appears in this act with the date this act becomes a
2414 law.

2415 Section 15. This act shall take effect upon becoming a law.

2416

2417 ===== T I T L E A M E N D M E N T =====



150524

2418 And the title is amended as follows:

2419 Delete everything before the enacting clause
2420 and insert:

2421 A bill to be entitled

2422 An act relating to gaming; amending s. 285.710, F.S.;

2423 authorizing and directing the Governor, in cooperation

2424 with the Seminole Tribe of Florida, to execute a new

2425 compact in the form provided; signifying the

2426 Legislature's approval and ratification of such

2427 compact that does not materially alter from the

2428 approved form; providing terms and conditions for the

2429 gaming compact; defining terms; authorizing the Tribe

2430 to operate covered games on its lands in accordance

2431 with the compact and at specified facilities;

2432 prohibiting specified games; providing requirements

2433 for resolution of patron disputes involving gaming,

2434 tort claims, and employee disputes; providing

2435 requirements for regulation and enforcement of the

2436 compact; requiring the state to conduct random

2437 inspections of tribal facilities; authorizing the

2438 state to conduct an independent audit; requiring the

2439 Tribe and commission to comply with specified

2440 licensing and hearing requirements; requiring the

2441 Tribe to make specified revenue share payments to the

2442 state, with reductions authorized under certain

2443 circumstances; requiring the Tribe to pay an annual

2444 oversight assessment and annual donation to the

2445 Florida Council on Compulsive Gaming; specifying that

2446 certain events do not trigger any remedy under the



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2447 compact or affect the exclusivity provisions of the
2448 compact; providing for dispute resolution between the
2449 Tribe and the state; providing construction; providing
2450 requirements for notice under the compact; providing
2451 an effective date and termination of the compact;
2452 providing for execution of the compact; amending s.
2453 285.712, F.S.; requiring the Governor to provide a
2454 copy of the executed compact to specified parties and
2455 direct the Secretary of State to forward a copy to the
2456 Secretary of the Interior; creating s. 546.13, F.S.;
2457 defining terms; exempting a fantasy contest from
2458 certain regulations; amending s. 550.01215, F.S.;
2459 revising application requirements for a pari-mutuel
2460 operating license; authorizing a greyhound racing
2461 permitholder to specify certain intentions on its
2462 application; providing that a greyhound racing
2463 permitholder that has been issued a slot machine
2464 license remains an eligible facility, continues to be
2465 eligible for a slot machine license, is exempt from
2466 certain provisions of ch. 551, F.S., is eligible to be
2467 a guest track for certain purposes, and remains
2468 eligible for a cardroom license; authorizing a
2469 greyhound racing permitholder to receive an operating
2470 license to conduct pari-mutuel wagering activities at
2471 another permitholder's greyhound racing facility;
2472 authorizing certain jai alai permitholders, harness
2473 horse racing permitholders, or quarter horse racing
2474 permitholders to elect not to conduct live racing or
2475 games if the election is made by a specified date;



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2476 specifying that such permitholder may retain its
2477 permit and remains a pari-mutuel facility; specifying
2478 that, if such permitholder has been issued a slot
2479 machine license, the permitholder's facility remains
2480 an eligible facility, continues to be eligible for a
2481 slot machine license, is exempt from certain
2482 provisions of chs. 550 and 551, F.S., is eligible to
2483 be a guest track, and if the permitholder is a harness
2484 horse racing permitholder, a host track for intertrack
2485 wagering and simulcasting, and remains eligible for a
2486 cardroom license; authorizing a harness horse racing
2487 permitholder to be a host track for purposes of
2488 intertrack wagering and simulcasting; authorizing the
2489 division to approve a change in racing dates for a
2490 permitholder if the request for a change is received
2491 before a specified date and under certain
2492 circumstances; amending s. 550.054, F.S.; requiring
2493 the Division of Pari-Mutuel Wagering to revoke a
2494 permit to conduct pari-mutuel wagering for a
2495 permitholder that fails to make specified payments or
2496 obtain an operating license; prohibiting the issuance
2497 of new permits; deleting provisions related to the
2498 conversion of permits; repealing s. 550.0745, F.S.,
2499 relating to conversion of a pari-mutuel permit to a
2500 summer jai alai permit; amending ss. 550.09512 and
2501 550.09515, F.S.; requiring the division to revoke the
2502 permit of a harness horse or thoroughbred racing
2503 permitholder, respectively, who does not pay tax on
2504 handle for a specified period of time; deleting



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2505 provisions relating to the reissuance of escheated
2506 permits; amending s. 550.3345, F.S.; revising
2507 provisions relating to a limited thoroughbred racing
2508 permit previously converted from a quarter horse
2509 racing permit; amending s. 551.104, F.S.; revising
2510 conditions of licensure and conditions for maintaining
2511 authority to conduct slot machine gaming; requiring
2512 certain permitholders to remit certain revenues to
2513 qualified thoroughbred permitholders; requiring
2514 qualified thoroughbred permitholders to use such
2515 payments for certain purposes; defining the term
2516 "qualified thoroughbred permitholder"; providing a
2517 process for remitting such payments; requiring
2518 qualified thoroughbred permitholders receiving such
2519 funds to remit a specified percentage of the funds to
2520 a specified association; amending s. 551.106, F.S.;
2521 deleting obsolete provisions; revising the tax rate on
2522 slot machine revenue effective on specified dates;
2523 providing a formula to calculate a surcharge amount;
2524 prohibiting the surcharge from exceeding a certain
2525 amount; amending s. 849.086, F.S.; revising
2526 legislative intent; revising definitions; authorizing
2527 the division to establish a reasonable period to
2528 respond to certain requests from a licensed cardroom;
2529 providing that the division must approve certain
2530 requests within 45 days; requiring the division to
2531 review and approve or reject certain revised internal
2532 controls or revised rules within 10 days after
2533 submission; deleting provisions relating to the



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2534 renewal of a cardroom license; making technical
2535 changes; authorizing certain cardroom operators to
2536 offer a certain number of certain designated player
2537 games; requiring the designated player and employees
2538 of the designated player to be licensed; requiring the
2539 designated player to pay certain fees; prohibiting a
2540 cardroom operator from serving as the designated
2541 player in a game and from having a financial interest
2542 in a designated player; authorizing a cardroom
2543 operator to collect a rake, subject to certain
2544 requirements; requiring the dealer button to be
2545 rotated under certain circumstances; prohibiting a
2546 cardroom operator from allowing a designated player to
2547 pay an opposing player under certain circumstances;
2548 prohibiting the rules of the game or of the cardroom
2549 to require a designated player to cover more than 10
2550 times the maximum wager for players participating in
2551 any one game; prohibiting a cardroom or cardroom
2552 licensee from contracting with or receiving certain
2553 compensation from a player to allow that player to
2554 participate in any game as a designated player;
2555 requiring certain permitholders with a cardroom
2556 license to remit a certain amount of its monthly gross
2557 receipts to qualified thoroughbred permitholders;
2558 requiring qualified thoroughbred holders to use such
2559 payments for certain purposes; defining the term
2560 "qualified thoroughbred permitholder"; providing a
2561 process for remitting such payments; requiring
2562 qualified thoroughbred permitholders receiving such



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2563 funds to remit a specified percentage of the funds to
2564 a specified association; deleting a provision relating
2565 to the renewal or issuance of a cardroom license to a
2566 quarter horse racing permitholder; conforming a cross-
2567 reference; amending s. 849.16, F.S.; revising the
2568 definition of the term "slot machine or device";
2569 providing a directive to the Division of Law Revision
2570 and Information; providing an effective date.



279096

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/12/2018	.	
	.	
	.	
	.	

Appropriations Subcommittee on Finance and Tax (Stargel)
recommended the following:

1 **Senate Amendment to Amendment (150524) (with title**
2 **amendment)**

3
4 Delete line 1582

5 and insert:

6 and quarter horse racing permitholders

7 Delete lines 1623 - 1626

8 and insert:

9 (c) A harness horse racing permitholder or a quarter horse
10 racing permitholder that has conducted live racing for at least



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11 5 years irrevocably may elect not to conduct live racing if the
12 election is

13
14 ===== T I T L E A M E N D M E N T =====

15 And the title is amended as follows:

16 Delete lines 2472 - 2475

17 and insert:

18 authorizing certain harness horse racing permitholders
19 or quarter horse racing permitholders to elect not to
20 conduct live racing if the election is made by a
21 specified date;

By Senator Hutson

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1 A bill to be entitled
 2 An act relating to gaming; creating s. 546.13, F.S.;
 3 defining terms; exempting a fantasy contest from
 4 certain regulations; amending s. 550.01215, F.S.;
 5 revising application requirements for a pari-mutuel
 6 operating license; authorizing a greyhound racing
 7 permitholder to specify certain intentions on its
 8 application; providing that a greyhound racing
 9 permitholder that has been issued a slot machine
 10 license remains an eligible facility, continues to be
 11 eligible for a slot machine license, is exempt from
 12 certain provisions of ch. 551, F.S., is eligible to be
 13 a guest track for certain purposes, and remains
 14 eligible for a cardroom license; authorizing a
 15 greyhound racing permitholder to receive an operating
 16 license to conduct pari-mutuel wagering activities at
 17 another permitholder's greyhound racing facility;
 18 authorizing a thoroughbred horse racing permitholder
 19 to elect not to conduct live racing under certain
 20 circumstances; authorizing a thoroughbred horse racing
 21 permitholder that elects not to conduct live racing to
 22 retain its permit and requiring the permitholder to
 23 specify its intention not to conduct live racing in
 24 future applications and that it is a pari-mutuel
 25 facility; authorizing such thoroughbred racing
 26 permitholder's facility to remain an eligible
 27 facility, to continue to be eligible for a slot
 28 machine license, to be exempt from certain provisions
 29 of chs. 550 and 551, F.S., to be eligible as a guest

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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30 track for intertrack wagering and simulcasting, and to
 31 remain eligible for a cardroom license; requiring that
 32 such permitholder comply with all contracts regarding
 33 distributions to thoroughbred horse purse supplements
 34 or breeders' awards entered into before a specified
 35 date; requiring, for a specified period, that such
 36 permitholder file with the division an irrevocable
 37 consent authorizing the use of certain contributions
 38 for specified purses and awards; authorizing harness
 39 horse and quarter horse racing permitholders to elect
 40 not to conduct live racing under certain
 41 circumstances; authorizing a permitholder that elects
 42 not to conduct live racing to retain its permit and
 43 remain a pari-mutuel facility; specifying that, if
 44 such permitholder has been issued a slot machine
 45 license, the permitholder's facility remains an
 46 eligible facility, continues to be eligible for a slot
 47 machine license, is exempt from certain provisions of
 48 chs. 550 and 551, F.S., is eligible to be a guest
 49 track, and if the permitholder is a harness horse
 50 racing permitholder, a host track for intertrack
 51 wagering and simulcasting, and remains eligible for a
 52 cardroom license; authorizing a harness horse racing
 53 permitholder to be a host track for purposes of
 54 intertrack wagering and simulcasting; authorizing the
 55 division to approve a change in racing dates for a
 56 permitholder if the request for a change is received
 57 before a specified date and under certain
 58 circumstances; amending s. 551.104, F.S.; revising

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59 conditions of licensure and conditions for maintaining
 60 authority to conduct slot machine gaming; amending s.
 61 551.106, F.S.; deleting obsolete provisions; revising
 62 the tax rate on slot machine revenue effective on
 63 specified dates; providing a formula to calculate a
 64 surcharge amount; prohibiting the surcharge from
 65 exceeding a certain amount; amending s. 849.086, F.S.;
 66 revising legislative intent; revising definitions;
 67 authorizing the division to establish a reasonable
 68 period to respond to certain requests from a licensed
 69 cardroom; providing that the division must approve
 70 certain requests within 45 days; requiring the
 71 division to review and approve or reject certain
 72 revised internal controls or revised rules within 10
 73 days after submission; deleting provisions relating to
 74 the renewal of a cardroom license; making technical
 75 changes; authorizing certain cardroom operators to
 76 offer a certain number of certain designated player
 77 games; requiring the designated player and employees
 78 of the designated player to be licensed; requiring the
 79 designated player to pay certain fees; prohibiting a
 80 cardroom operator from serving as the designated
 81 player in a game and from having a financial interest
 82 in a designated player; authorizing a cardroom
 83 operator to collect a rake, subject to certain
 84 requirements; requiring the dealer button to be
 85 rotated under certain circumstances; prohibiting a
 86 cardroom operator from allowing a designated player to
 87 pay an opposing player under certain circumstances;

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88 prohibiting the rules of the game or of the cardroom
 89 to require a designated player to cover more than 10
 90 times the maximum wager for players participating in
 91 any one game; prohibiting a cardroom or cardroom
 92 licensee from contracting with or receiving certain
 93 compensation from a player to allow that player to
 94 participate in any game as a designated player;
 95 revising requirements for a cardroom license to be
 96 issued or renewed; requiring a certain written
 97 agreement with a thoroughbred permitholder; providing
 98 contract requirements for the agreement; requiring a
 99 thoroughbred permitholder to remit a percentage of
 100 specified funds to the Florida Thoroughbred Breeders'
 101 Association, Inc., subject to certain requirements;
 102 deleting provisions relating to a quarter horse racing
 103 permitholder's cardroom license; conforming a cross-
 104 reference; providing a directive to the Division of
 105 Law Revision and Information; providing an effective
 106 date.

107
 108 Be It Enacted by the Legislature of the State of Florida:

109
 110 Section 1. Section 546.13, Florida Statutes, is created to
 111 read:

112 546.13 Fantasy contests and fantasy contest operators.-
 113 (1) DEFINITIONS.-As used in this section, the term:
 114 (a) "Entry fee" means cash or a cash equivalent that is
 115 required to be paid by a participant in order to participate in
 116 a fantasy contest.

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117 (b) "Fantasy contest" means a fantasy or simulated game or
 118 contest in which:

119 1. The value of all prizes and awards offered to winning
 120 participants is established and made known to the participants
 121 in advance of the contest;

122 2. All winning outcomes reflect the relative knowledge and
 123 skill of the participants and are determined predominantly by
 124 accumulated statistical results of the performance of
 125 individuals, including athletes in the case of sporting events;

126 3. No winning outcome is based on the score, point spread,
 127 or any performance or performances of any single actual team or
 128 combination of such teams, solely on any single performance of
 129 an individual athlete or player in any single actual event, or
 130 on the performances of participants in collegiate, high school,
 131 or youth sporting events.

132 (c) "Fantasy contest operator" means a person or an entity,
 133 including any employee or agent, that offers or conducts a
 134 fantasy contest with an entry fee for a cash prize or award and
 135 that is not a participant in the fantasy contest.

136 (2) EXEMPTIONS.—The Department of Business and Professional
 137 Regulation may not regulate and the offenses established in s.
 138 849.01, s. 849.08, s. 849.09, s. 849.11, s. 849.14, and s.
 139 849.25 do not include or apply to a fantasy contest operated or
 140 conducted by a:

141 (a) Fantasy contest operator.

142 (b) Natural person who is a participant in the fantasy
 143 contest, serves as the commissioner of not more than 10 fantasy
 144 contests in a calendar year, and distributes all entry fees for
 145 the fantasy contest as prizes or awards to the participants in

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146 that fantasy contest.

147 Section 2. Subsections (1) and (3) of section 550.01215,
 148 Florida Statutes, are amended to read:

149 550.01215 License application; periods of operation; bond,
 150 conversion of permit.—

151 (1) Each permitholder shall annually, during the period
 152 between December 15 and January 4, file in writing with the
 153 division its application for an operating a license to conduct
 154 pari-mutuel wagering during the next state fiscal year,
 155 including intertrack and simulcast race wagering for greyhound
 156 racing permitholders and thoroughbred horse racing permitholders
 157 that do not ~~to~~ conduct live performances during the next state
 158 fiscal year. Each application for live performances must ~~shall~~
 159 specify the number, dates, and starting times of all live
 160 performances that ~~which~~ the permitholder intends to conduct. It
 161 must ~~shall~~ also specify which performances will be conducted as
 162 charity or scholarship performances.

163 (a) ~~In addition,~~ Each application for an operating a
 164 license also must ~~shall~~ include:

165 1. For each permitholder, whether the permitholder intends
 166 to accept wagers on intertrack or simulcast events.

167 2. For each permitholder that elects ~~which elects~~ to
 168 operate a cardroom, the dates and periods of operation the
 169 permitholder intends to operate the cardroom. ~~or~~

170 3. For each thoroughbred racing permitholder that ~~which~~
 171 elects to receive or rebroadcast out-of-state races after 7
 172 p.m., the dates for all performances which the permitholder
 173 intends to conduct.

174 (b) A greyhound racing permitholder that conducted a full

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175 schedule of live racing for a period of at least 10 consecutive
 176 state fiscal years after the 1996-1997 state fiscal year, or
 177 that converted its permit to a permit to conduct greyhound
 178 racing after the 1996-1997 state fiscal year, may specify in its
 179 application for an operating license that it does not intend to
 180 conduct live racing, or that it intends to conduct less than a
 181 full schedule of live racing, in the next state fiscal year. A
 182 greyhound racing permitholder may retain its permit; is a pari-
 183 mutuel facility as defined in s. 550.002(23); if such
 184 permitholder has been issued a slot machine license, the
 185 facility where such permit is located remains an eligible
 186 facility as defined in s. 551.102(4), continues to be eligible
 187 for a slot machine license, and is exempt from ss. 551.104(3)
 188 and (4)(c)1. and 551.114(2) and (4); is eligible, but not
 189 required, to be a guest track for purposes of intertrack
 190 wagering and simulcasting pursuant to ss. 550.3551, 550.615, and
 191 550.6305; and, if such permitholder has been issued a cardroom
 192 license, remains eligible for a cardroom license notwithstanding
 193 any requirement in s. 849.086 for the conduct of live racing. A
 194 greyhound racing permitholder may receive an operating license
 195 to conduct pari-mutuel wagering activities at another
 196 permitholder's greyhound racing facility pursuant to s. 550.475.
 197 (c)1. A thoroughbred horse racing permitholder that has
 198 conducted live racing for at least 5 years irrevocably may elect
 199 not to conduct live racing if the election is made within 30
 200 days after the effective date of this act. A thoroughbred horse
 201 racing permitholder that makes such election may retain such
 202 permit, must specify in future applications for an operating
 203 license that it does not intend to conduct live racing, and is a

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204 pari-mutuel facility as defined in s. 550.002(23).
 205 2. If a thoroughbred horse racing permitholder makes such
 206 election and if such permitholder holds a slot machine license
 207 when such election is made, the facility where such permit is
 208 located:
 209 a. Remains an eligible facility pursuant to s. 551.102(4),
 210 and continues to be eligible for a slot machine license;
 211 b. Is exempt from ss. 550.5251, 551.104(3) and (4)(c)1.,
 212 and 551.114(2) and (4);
 213 c. Is eligible, but not required, to be a guest track for
 214 purposes of intertrack wagering and simulcasting; and
 215 d. Remains eligible for a cardroom license, notwithstanding
 216 any requirement in s. 849.086 for the conduct of live racing.
 217 3. A thoroughbred horse racing permitholder that makes such
 218 election shall comply with all contracts regarding contributions
 219 by such permitholder to thoroughbred horse purse supplements or
 220 breeders' awards entered into before the effective date of this
 221 act pursuant to s. 551.104(10)(a). At the time of such election,
 222 such permitholder shall file with the division an irrevocable
 223 consent that such contributions shall be allowed to be used for
 224 purposes and awards on live races at other thoroughbred horse
 225 racing facilities in this state. This subparagraph and s.
 226 551.104(10)(a) do not apply after December 31, 2020, to a
 227 thoroughbred horse racing permitholder that made such election.
 228 (d) A harness horse racing permitholder or a quarter horse
 229 racing permitholder that has conducted live racing for at least
 230 5 years irrevocably may elect not to conduct live racing if the
 231 election is made within 30 days after the effective date of this
 232 act. A permitholder that makes such election may retain its

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 233 permit; is a pari-mutuel facility as defined in s. 550.002(23);
 234 if such permitholder has been issued a slot machine license, the
 235 facility where such permit is located remains an eligible
 236 facility as defined in s. 551.102(4), continues to be eligible
 237 for a slot machine license, and is exempt from ss. 551.104(3)
 238 and (4)(c)1. and 551.114(2) and (4); is eligible, but not
 239 required, to be a guest track and, if the permitholder is a
 240 harness horse racing permitholder, to be a host track for
 241 purposes of intertrack wagering and simulcasting pursuant to ss.
 242 550.3551, 550.615, 550.625, and 550.6305; and, if such
 243 permitholder has been issued a cardroom license, remains
 244 eligible for a cardroom license notwithstanding any requirement
 245 in s. 849.086 to conduct live racing performances.

246 (e) Permitholders may shall be entitled to amend their
 247 applications through February 28.

248 (3) The division shall issue each license no later than
 249 March 15. Each permitholder shall operate all performances at
 250 the date and time specified on its license. The division shall
 251 have the authority to approve minor changes in racing dates
 252 after a license has been issued. The division may approve
 253 changes in racing dates after a license has been issued when
 254 there is no objection from any operating permitholder located
 255 within 50 miles of the permitholder requesting the changes in
 256 operating dates. In the event of an objection, the division
 257 shall approve or disapprove the change in operating dates based
 258 upon the impact on operating permitholders located within 50
 259 miles of the permitholder requesting the change in operating
 260 dates. In making the determination to change racing dates, the
 261 division shall take into consideration the impact of such

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 262 changes on state revenues. Notwithstanding any other provision
 263 of law, and for the 2018-2019 fiscal year only, the division may
 264 approve changes in racing dates for permitholders if the request
 265 for such changes is received before May 31, 2018.

266 Section 3. Paragraph (c) of subsection (4) of section
 267 551.104, Florida Statutes, is amended to read:

268 551.104 License to conduct slot machine gaming.-

269 (4) As a condition of licensure and to maintain continued
 270 authority for the conduct of slot machine gaming, ~~a the~~ slot
 271 machine licensee shall:

272 (c) 1. Conduct no less fewer than a full schedule of live
 273 racing or games as defined in s. 550.002(11), unless conducting
 274 less than a full schedule of live racing or games pursuant to s.
 275 550.01215(1)(b) or (c). A permitholder's responsibility to
 276 conduct a full schedule such number of live races or games, as
 277 defined in s. 550.002(11), shall be reduced by the number of
 278 races or games that could not be conducted due to the direct
 279 result of fire, war, hurricane, or other disaster or event
 280 beyond the control of the permitholder. A permitholder may
 281 conduct live races or games at another pari-mutuel facility
 282 pursuant to s. 550.475 if such permitholder has operated its
 283 live races or games by lease for at least 5 consecutive years
 284 immediately prior to the permitholder's application for a slot
 285 machine license.

286 2. If not licensed to conduct a full schedule of live
 287 racing or games, as defined in s. 550.002(11), pursuant to s.
 288 550.01215(1)(b) or (c), remit for the payment of purses and
 289 awards on live races an amount equal to the lesser of \$2 million
 290 or 3 percent of its slot machine revenues from the previous

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 291 state fiscal year to a slot machine licensee licensed to conduct
 292 not fewer than 160 days of thoroughbred racing. A slot machine
 293 licensee receiving funds under this subparagraph shall remit,
 294 within 10 days after receipt, 10 percent of those funds to the
 295 Florida Thoroughbred Breeders' Association, Inc., for the
 296 payment of breeders', stallion, and special racing awards,
 297 subject to the fee authorized in s. 550.2625(3). If no slot
 298 machine licensee is licensed for at least 160 days of live
 299 thoroughbred racing, no payments for purses are required. A slot
 300 machine licensee that conducts no live racing and is making
 301 purse and awards supplement payments due under agreements
 302 entered pursuant to paragraph (10)(a) prior to the effective
 303 date of this act may offset the total amount paid under such
 304 agreements for purses and awards on or after July 1, 2017,
 305 against any amount due under this subparagraph until the amount
 306 paid and the amount due equal zero.

307 Section 4. Subsections (1), (2), and (4) of section
 308 551.106, Florida Statutes, are amended to read:

309 551.106 License fee; tax rate; penalties.—

310 (1) LICENSE FEE.—

311 ~~(a)~~ Upon submission of the initial application for a slot
 312 machine license, and annually thereafter, on the anniversary
 313 date of the issuance of the initial license, the licensee must
 314 pay to the division a nonrefundable license fee of ~~\$3 million~~
 315 ~~for the succeeding 12 months of licensure. In the 2010-2011~~
 316 ~~fiscal year, the licensee must pay the division a nonrefundable~~
 317 ~~license fee of \$2.5 million for the succeeding 12 months of~~
 318 ~~licensure. In the 2011-2012 fiscal year and for every fiscal~~
 319 ~~year thereafter, the licensee must pay the division a~~

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 320 ~~nonrefundable license fee of \$2 million for the succeeding 12~~
 321 ~~months of licensure. The license fee must ~~shall~~ be deposited~~
 322 ~~into the Pari-mutuel Wagering Trust Fund of the Department of~~
 323 ~~Business and Professional Regulation to be used by the division~~
 324 ~~and the Department of Law Enforcement for investigations,~~
 325 ~~regulation of slot machine gaming, and enforcement of slot~~
 326 ~~machine gaming provisions under this chapter. These payments~~
 327 ~~must ~~shall~~ be accounted for separately from taxes or fees paid~~
 328 ~~pursuant to the provisions of chapter 550.~~

329 ~~(b) Prior to January 1, 2007, the division shall evaluate~~
 330 ~~the license fee and shall make recommendations to the President~~
 331 ~~of the Senate and the Speaker of the House of Representatives~~
 332 ~~regarding the optimum level of slot machine license fees in~~
 333 ~~order to adequately support the slot machine regulatory program.~~

334 (2) TAX ON SLOT MACHINE REVENUES.—

335 (a)1. The tax rate on slot machine revenues at each
 336 facility is ~~shall be~~ 35 percent. Effective January 1, 2019, the
 337 tax rate on slot machine revenues at each facility is 30
 338 percent. Effective July 1, 2020, the tax rate on slot machine
 339 revenues at each facility is 25 percent.

340 2.a. If, during any state fiscal year, the aggregate amount
 341 of tax paid to the state by ~~all~~ slot machine licensees in
 342 Broward and Miami-Dade Counties is less than the aggregate
 343 amount of tax paid to the state by ~~all slot machine~~ licensees in
 344 those counties in the 2017-2018 2008-2009 fiscal year, each slot
 345 machine licensee shall pay to the state within 45 days after the
 346 end of the state fiscal year a surcharge ~~equal to its pro rata~~
 347 ~~share of an amount equal to the difference between the aggregate~~
 348 ~~amount of tax paid to the state by all slot machine licensees in~~

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349 the 2008-2009 fiscal year and the amount of tax paid during the
350 fiscal year.

351 b. The amount of the surcharge to be paid by each such
352 licensee must be calculated by dividing the aggregate amount of
353 slot machine taxes paid to the state by all such slot machine
354 licensees in the 2017-2018 fiscal year by the aggregate amount
355 of slot machine taxes paid by all such licensees during the
356 applicable state fiscal year, multiplying the result by the
357 amount of slot machine taxes paid by the licensee during the
358 applicable state fiscal year, and then subtracting from that
359 product the amount of slot machine taxes paid by the licensee
360 during the applicable state fiscal year. However, the sum of the
361 taxes paid by a licensee pursuant to subparagraph 1. and any
362 surcharge due from the licensee may not exceed 35 percent of the
363 slot machine revenue of that licensee in the applicable state
364 fiscal year. Each licensee's pro-rata share shall be an amount
365 determined by dividing the number 1 by the number of facilities
366 licensed to operate slot machines during the applicable fiscal
367 year, regardless of whether the facility is operating such
368 machines.

369 (b) The slot machine revenue tax imposed by this section
370 ~~must shall~~ be paid to the division for deposit into the Pari-
371 mutuel Wagering Trust Fund for immediate transfer by the Chief
372 Financial Officer for deposit into the Educational Enhancement
373 Trust Fund of the Department of Education. Any interest earnings
374 on the tax revenues ~~must shall~~ also be transferred to the
375 Educational Enhancement Trust Fund.

376 (c)1. Funds transferred to the Educational Enhancement
377 Trust Fund under paragraph (b) ~~must shall~~ be used to supplement

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378 public education funding statewide.

379 2. If necessary to comply with any covenant established
380 pursuant to s. 1013.68(4), s. 1013.70(1), or s. 1013.737(3),
381 funds transferred to the Educational Enhancement Trust Fund
382 under paragraph (b) ~~must shall~~ first be available to pay debt
383 service on lottery bonds issued to fund school construction in
384 the event lottery revenues are insufficient for such purpose or
385 to satisfy debt service reserve requirements established in
386 connection with lottery bonds. Moneys available pursuant to this
387 subparagraph are subject to annual appropriation by the
388 Legislature.

389 (4) TO PAY TAX; PENALTIES.—A slot machine licensee who
390 fails to make tax and any applicable surcharge payments as
391 required under this section is subject to an administrative
392 penalty of up to \$10,000 for each day the tax payment is not
393 remitted. All administrative penalties imposed and collected
394 ~~must shall~~ be deposited into the Pari-mutuel Wagering Trust Fund
395 of the Department of Business and Professional Regulation. If
396 any slot machine licensee fails to pay penalties imposed by
397 order of the division under this subsection, the division may
398 deny, suspend, revoke, or refuse to renew the license of the
399 permitholder or slot machine licensee.

400 Section 5. Present subsections (9) through (17) of section
401 849.086, Florida Statutes, are redesignated as subsections (10)
402 through (18), respectively, and a new subsection (9) is added to
403 that section, subsections (1) and (2) of that section are
404 amended, paragraph (g) is added to subsection (4) of that
405 section, and paragraph (b) of subsection (5), paragraph (c) of
406 subsection (7), paragraph (a) of subsection (8), present

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407 subsection (12), and paragraphs (d) and (h) of present
408 subsection (13) are amended, to read:

409 849.086 Cardrooms authorized.—

410 (1) LEGISLATIVE INTENT.—It is the intent of the Legislature
411 to provide additional entertainment choices for the residents of
412 and visitors to the state, promote tourism in the state, provide
413 revenues to support the continuation of live pari-mutuel
414 activity, and provide additional state revenues through the
415 authorization of the playing of certain games in the state at
416 facilities known as cardrooms which are to be located at
417 licensed pari-mutuel facilities. To ensure the public confidence
418 in the integrity of authorized cardroom operations, this act is
419 designed to strictly regulate the facilities, persons, and
420 procedures related to cardroom operations. Furthermore, the
421 Legislature finds that authorized games of poker and dominoes ~~as~~
422 ~~herein defined~~ are considered to be pari-mutuel style games and
423 not casino gaming because the participants play against each
424 other instead of against the house.

425 (2) DEFINITIONS.—As used in this section:

426 (a) "Authorized game" means a game or series of games of
427 poker or dominoes which are played in conformance with this
428 section, including designated player games that are played in a
429 manner consistent with the rules and requirements specified in
430 the 1974 edition of Hoyle's Modern Encyclopedia of Card Games:
431 Rules of All the Basic Games and Popular Variations and
432 including three card poker a nonbanking manner.

433 (b) "Banking game" means a game in which the house is a
434 participant in the game, taking on players, paying winners, and
435 collecting from losers ~~or in which the cardroom establishes a~~

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436 ~~bank against which participants play. A designated player game~~
437 ~~is not a banking game.~~

438 (c) "Cardroom" means a facility where authorized games are
439 played for money or anything of value and to which the public is
440 invited to participate in such games and charged a fee for
441 participation by the operator of such facility. Authorized games
442 and cardrooms do not constitute casino gaming operations if
443 conducted at an eligible facility.

444 (d) "Cardroom management company" means any individual not
445 an employee of the cardroom operator, any proprietorship,
446 partnership, corporation, or other entity that enters into an
447 agreement with a cardroom operator to manage, operate, or
448 otherwise control the daily operation of a cardroom.

449 (e) "Cardroom distributor" means any business that
450 distributes cardroom paraphernalia such as card tables, betting
451 chips, chip holders, dominoes, dominoes tables, drop boxes,
452 banking supplies, playing cards, card shufflers, and other
453 associated equipment to authorized cardrooms.

454 (f) "Cardroom operator" means a licensed pari-mutuel
455 permitholder that which holds a valid permit and license issued
456 by the division pursuant to chapter 550 and which also holds a
457 valid cardroom license issued by the division pursuant to this
458 section which authorizes such person to operate a cardroom and
459 to conduct authorized games in such cardroom.

460 (g) "Designated player" means the player identified for
461 each game by a button that rotates clockwise before each game
462 begins as the player in the dealer position and seated at a
463 traditional player position in a designated player game who pays
464 winning players and collects from losing players.

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465 (h) "Designated player game" means a game in which the
 466 players compare their cards only to the cards of the designated
 467 player or to a combination of cards held by the designated
 468 player and cards common and available for play by all players.

469 ~~(i)(g)~~ "Division" means the Division of Pari-mutuel
 470 Wagering of the Department of Business and Professional
 471 Regulation.

472 ~~(j)(h)~~ "Dominoes" means a game of dominoes typically played
 473 with a set of 28 flat rectangular blocks, called "bones," which
 474 are marked on one side and divided into two equal parts, with
 475 zero to six dots, called "pips," in each part. The term also
 476 includes larger sets of blocks that contain a correspondingly
 477 higher number of pips. The term also means the set of blocks
 478 used to play the game.

479 ~~(k)(i)~~ "Gross receipts" means the total amount of money
 480 received by a cardroom from any person for participation in
 481 authorized games.

482 ~~(l)(j)~~ "House" means the cardroom operator and all
 483 employees of the cardroom operator.

484 ~~(m)(k)~~ "Net proceeds" means the total amount of gross
 485 receipts received by a cardroom operator from cardroom
 486 operations less direct operating expenses related to cardroom
 487 operations, including labor costs, admission taxes only if a
 488 separate admission fee is charged for entry to the cardroom
 489 facility, gross receipts taxes imposed on cardroom operators by
 490 this section, the annual cardroom license fees imposed by this
 491 section on each table operated at a cardroom, and reasonable
 492 promotional costs excluding officer and director compensation,
 493 interest on capital debt, legal fees, real estate taxes, bad

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494 debts, contributions or donations, or overhead and depreciation
 495 expenses not directly related to the operation of the cardrooms.

496 ~~(n)(l)~~ "Rake" means a set fee or percentage of the pot
 497 assessed by a cardroom operator for providing the services of a
 498 dealer, table, or location for playing the authorized game.

499 ~~(o)(m)~~ "Tournament" means a series of games that have more
 500 than one betting round involving one or more tables and where
 501 the winners or others receive a prize or cash award.

502 (4) AUTHORITY OF DIVISION.—The Division of Pari-mutuel
 503 Wagering of the Department of Business and Professional
 504 Regulation shall administer this section and regulate the
 505 operation of cardrooms under this section and the rules adopted
 506 pursuant thereto, and is hereby authorized to:

507 (g) Establish a reasonable period to respond to requests
 508 from a licensed cardroom; provided however, the division has a
 509 maximum of 45 days to approve:

510 1. A cardroom's internal controls or provide the cardroom
 511 with a list of deficiencies as to the internal controls.

512 2. Rules for a new authorized game submitted by a licensed
 513 cardroom or provide the cardroom with a list of deficiencies as
 514 to those rules.

515
 516 No later than 10 days after the submission of revised internal
 517 controls or revised rules addressing the deficiencies identified
 518 by the division, the division must review and approve or reject
 519 the revised internal controls or revised rules.

520 (5) LICENSE REQUIRED; APPLICATION; FEES.—No person may
 521 operate a cardroom in this state unless such person holds a
 522 valid cardroom license issued pursuant to this section.

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523 (b) After the initial cardroom license is granted, the
 524 application for the annual license renewal shall be made in
 525 conjunction with the applicant's annual application for its
 526 pari-mutuel license. If a permitholder has operated a cardroom
 527 during any of the 3 previous fiscal years and fails to include a
 528 renewal request for the operation of the cardroom in its annual
 529 application for license renewal, the permitholder may amend its
 530 annual application to include operation of the cardroom. ~~In~~
 531 ~~order for a cardroom license to be renewed the applicant must~~
 532 ~~have requested, as part of its pari-mutuel annual license~~
 533 ~~application, to conduct at least 90 percent of the total number~~
 534 ~~of live performances conducted by such permitholder during~~
 535 ~~either the state fiscal year in which its initial cardroom~~
 536 ~~license was issued or the state fiscal year immediately prior~~
 537 ~~thereto if the permitholder ran at least a full schedule of live~~
 538 ~~racing or games in the prior year. If the application is for a~~
 539 ~~harness permitholder cardroom, the applicant must have requested~~
 540 ~~authorization to conduct a minimum of 140 live performances~~
 541 ~~during the state fiscal year immediately prior thereto. If more~~
 542 ~~than one permitholder is operating at a facility, each~~
 543 ~~permitholder must have applied for a license to conduct a full~~
 544 ~~schedule of live racing.~~

545 (7) CONDITIONS FOR OPERATING A CARDROOM.—

546 (c) A cardroom operator must at all times employ and
 547 provide a nonplaying live dealer at ~~for~~ each table on which
 548 authorized card games ~~which traditionally use a dealer~~ are
 549 conducted ~~at the cardroom~~. Such dealers may not have a
 550 participatory interest in any game other than the dealing of
 551 cards and may not have an interest in the outcome of the game.

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552 The providing of such dealers by a licensee does not constitute
 553 the conducting of a banking game by the cardroom operator.

554 (8) METHOD OF WAGERS; LIMITATION.—

555 (a) ~~No~~ Wagering may not be conducted using money or other
 556 negotiable currency. Games may only be played utilizing a
 557 wagering system whereby all players' money is first converted by
 558 the house to tokens or chips that may ~~which shall~~ be used for
 559 wagering only at that specific cardroom.

560 (9) DESIGNATED PLAYER GAMES AUTHORIZED.—

561 (a) A cardroom operator may offer designated player games
 562 consisting of players making wagers against the designated
 563 player. However, not more than 50 percent of the total licensed
 564 tables in a cardroom may offer designated player games. The
 565 designated player must be licensed pursuant to paragraph (6)(b).
 566 Employees of a designated player also must be licensed, and the
 567 designated player shall pay, in addition to the business
 568 occupational fee established pursuant to paragraph (6)(i), an
 569 employee occupational license fee that may not exceed \$500 per
 570 employee for any 12-month period.

571 (b) A cardroom operator may not serve as a designated
 572 player in any game. The cardroom operator may not have a
 573 financial interest in a designated player in any game. A
 574 cardroom operator may collect a rake in accordance with the rake
 575 structure posted at the table.

576 (c) If there are multiple designated players at a table,
 577 the dealer button shall be rotated in a clockwise rotation after
 578 each hand.

579 (d) A cardroom operator may not allow a designated player
 580 to pay an opposing player who holds a lower-ranked hand.

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581 (e) A designated player may not be required by the rules of
 582 a game or by the rules of a cardroom to cover more than 10 times
 583 the maximum wager for players participating in any one game.

584 (f) The cardroom, or any cardroom licensee, may not
 585 contract with, or receive compensation other than a posted table
 586 rake from, any player to participate in any game to serve as a
 587 designated player.

588 ~~(13)(12)~~ PROHIBITED ACTIVITIES.—

589 (a) A ~~Ne~~ person licensed to operate a cardroom may not
 590 conduct any banking game or any game not specifically authorized
 591 by this section.

592 (b) A ~~Ne~~ person who is younger than under 18 years of age
 593 may not be permitted to hold a cardroom or employee license, or
 594 to engage in any game conducted therein.

595 (c) With the exception of mechanical card shufflers, Ne
 596 electronic or mechanical devices, except mechanical card
 597 shufflers, may not be used to conduct any authorized game in a
 598 cardroom.

599 (d) ~~Ne~~ Cards, game components, or game implements may not
 600 be used in playing an authorized game unless they have such has
 601 been furnished or provided to the players by the cardroom
 602 operator.

603 ~~(14)(13)~~ TAXES AND OTHER PAYMENTS.—

604 (d)1. Each ~~greyhound and jai alai~~ permitholder that
 605 operates a cardroom facility shall use at least 4 percent of
 606 such permitholder's cardroom monthly gross receipts to
 607 supplement ~~greyhound~~ purses and awards or jai alai prize money,
 608 respectively, during the permitholder's next ensuing pari-mutuel
 609 meet.

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610 2. A cardroom license or renewal thereof may not be issued
 611 to a permitholder conducting less than a full schedule of live
 612 racing or games, as defined in s. 550.002(11), pursuant to s.
 613 550.01215(1)(b), (c), or (d) unless the applicant has on file
 614 with the division a binding written contract with a thoroughbred
 615 permitholder that is licensed to conduct live racing and that
 616 does not possess a slot machine license. This contract must
 617 provide that the permitholder will pay an amount equal to 4
 618 percent of its monthly cardroom gross receipts to the
 619 thoroughbred permitholder conducting the live racing for
 620 exclusive use as purses and awards during the current or ensuing
 621 live racing meet of the thoroughbred permitholder. A
 622 thoroughbred permitholder receiving funds under this
 623 subparagraph shall remit, within 10 days after receipt, 10
 624 percent of those funds to the Florida Thoroughbred Breeders'
 625 Association, Inc., for the payment of breeders', stallion, and
 626 special racing awards, subject to the fee authorized in s.
 627 550.2625(3). If there is not a thoroughbred permitholder that
 628 does not possess a slot machine license, payments for purses are
 629 not required, and the cardroom licensee shall retain such funds
 630 for its use. Each thoroughbred and harness horse racing
 631 permitholder that operates a cardroom facility shall use at
 632 least 50 percent of such permitholder's cardroom monthly net
 633 proceeds as follows: 47 percent to supplement purses and 3
 634 percent to supplement breeders' awards during the permitholder's
 635 next ensuing racing meet.

636 ~~3. No cardroom license or renewal thereof shall be issued~~
 637 ~~to an applicant holding a permit under chapter 550 to conduct~~
 638 ~~pari-mutuel wagering meets of quarter horse racing unless the~~

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639 ~~applicant has on file with the division a binding written~~
 640 ~~agreement between the applicant and the Florida Quarter Horse~~
 641 ~~Racing Association or the association representing a majority of~~
 642 ~~the horse owners and trainers at the applicant's eligible~~
 643 ~~facility, governing the payment of purses on live quarter horse~~
 644 ~~racces conducted at the licensee's pari-mutuel facility. The~~
 645 ~~agreement governing purses may direct the payment of such purses~~
 646 ~~from revenues generated by any wagering or gaming the applicant~~
 647 ~~is authorized to conduct under Florida law. All purses shall be~~
 648 ~~subject to the terms of chapter 550.~~

649 (h) One-quarter of the moneys deposited into the Pari-
 650 mutuel Wagering Trust Fund pursuant to paragraph (g) shall, by
 651 October 1 of each year, be distributed to the local government
 652 that approved the cardroom under subsection (17) ~~(16)~~; however,
 653 if two or more pari-mutuel racetracks are located within the
 654 same incorporated municipality, the cardroom funds shall be
 655 distributed to the municipality. If a pari-mutuel facility is
 656 situated in such a manner that it is located in more than one
 657 county, the site of the cardroom facility shall determine the
 658 location for purposes of disbursement of tax revenues under this
 659 paragraph. The division shall, by September 1 of each year,
 660 determine: the amount of taxes deposited into the Pari-mutuel
 661 Wagering Trust Fund pursuant to this section from each cardroom
 662 licensee; the location by county of each cardroom; whether the
 663 cardroom is located in the unincorporated area of the county or
 664 within an incorporated municipality; and, the total amount to be
 665 distributed to each eligible county and municipality.

666 Section 6. The Division of Law Revision and Information is
 667 directed to replace the phrase "the effective date of this act"

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668 wherever it occurs in this act with the date this act becomes a
 669 law.

670 Section 7. This act shall take effect upon becoming a law.

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APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

11/21/18

Meeting Date

840

Bill Number (if applicable)

150524

Amendment Barcode (if applicable)

Topic Gaming

Name Christine Graves

Job Title Attorney

Address 215 S. Monroe St. Suite 500

Phone 850-224-1585

Street

Tallahassee, FL

32301

Email cgraves@carlton

City

State

Zip

fields.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Pace-O-Matic

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

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2/12/18

840

Meeting Date

Bill Number (if applicable)

150524

Topic Gaming

Amendment Barcode (if applicable)

Name Tom Ventura

Job Title _____

Address 1701 SW 60th Avenue

Phone _____

Street

Ocala

FL

34474

Email tomv@obssales.com

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Ocala Breeders' ,Sales Company, Inc.

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

APPEARANCE RECORD

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2-12

Meeting Date

840

Bill Number (if applicable)

Hutson Strike-All

Amendment Barcode (if applicable)

150524

Topic _____

Name Marc Dunbar

Job Title _____

Address 215 S. Monroe St

Street

Phone 425-7800

Tallahassee

FL

32301

Email mdunbar@joneswalker

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Stronach Group

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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APPEARANCE RECORD

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2/12/2018

Meeting Date

840

Bill Number (if applicable)

Topic Gaming

Amendment Barcode (if applicable)

Name Tim Parson

Job Title _____

Address 113 E. College Ave

Phone _____

Street

Tallahassee

FL

32301

Email _____

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against

(The Chair will read this information into the record.)

Representing No Casinos

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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APPEARANCE RECORD

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2/12/2018

Meeting Date

840

Bill Number (if applicable)

Topic Gaming

Amendment Barcode (if applicable)

Name Dr. Steve Fisch

Job Title Veterinarian

Address 9085 Magnolia Hill Drive

Phone (850) 510-9650

Tallahassee FL 32309

City State Zip

Email sfischdvm@avsequinehospital.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Quarterhorse Racing Association

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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APPEARANCE RECORD

2/12/18

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

840

Meeting Date

Bill Number (if applicable)

Topic Decoupling / Expansion of Gambling

Amendment Barcode (if applicable)

Name Jeff Kottkamp

Job Title

Address

Phone

Street Tallahassee

FL

Email

City

State

Zip

Speaking: For [] Against [x] Information []

Waive Speaking: In Support [] Against []

(The Chair will read this information into the record.)

Representing Florida Graphical Assoc.

Appearing at request of Chair: Yes [] No [x]

Lobbyist registered with Legislature: Yes [x] No []

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

APPEARANCE RECORD

2/12/18

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

840

Meeting Date

Bill Number (if applicable)

Topic Gryhous Decoupling

Amendment Barcode (if applicable)

Name Kate MacFall

Job Title Florida state director

Address 1624 Metropolitan Circle

Phone 870 508-1001

Street
Tallahassee

Email kmacfall@hsos.org

City FL State 32308 Zip

Speaking: For Against Information

Waive Speaking: In Support Against

(The Chair will read this information into the record.)

Representing Humane Society of the United States

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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APPEARANCE RECORD

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2/12/18

Meeting Date

SB 840

Bill Number (if applicable)

Topic Greyhound Decoupling

Amendment Barcode (if applicable)

Name Carey M. Theil

Job Title Executive Director

Address 7 Central Street, Suite 210

Phone 617-501-6276

Street

Arlington MA 02476

City

State

Zip

Email Carey@greyzkusa.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing GREY/ZK USA

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

2/02/18
Meeting Date

840

Bill Number (if applicable)

Topic GAMING

Amendment Barcode (if applicable)

Name Ramon Macky

Job Title

Address PO Box 10285

Phone 850 222 1568

City TALL FL State FL Zip 32302

Email mngroup@aol

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FL Gay Hand Assoc

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE

APPEARANCE RECORD

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2.12.18

Meeting Date

840

Bill Number (if applicable)

Topic GAMING

Amendment Barcode (if applicable)

Name BILL BUNKLEY

Job Title PRESIDENT

Address PO Box 341644

Phone 813-264-2977

Tampa FL 33694

Email

Speaking: [] For [X] Against [] Information

Waive Speaking [] In Support [X] Against (The Chair will read this information into the record.)

Representing Florida Ethics and Religious Liberty Commission

Appearing at request of Chair: [] Yes [X] No

Lobbyist registered with Legislature: [X] Yes [] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

2.12.18

Meeting Date

840

Bill Number (if applicable)

Topic GAMBLING

Amendment Barcode (if applicable)

Name AMBER KELLY

Job Title LEGISLATIVE CONSULTANT

Address 4853 S. ORANGE ST

Phone 407-418-0250

Street

ORLANDO

FL

32806

Email

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FLORIDA FAMILY ACTION

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

2/12/18

Meeting Date

840

Bill Number (if applicable)

Topic Gaming

Amendment Barcode (if applicable)

Name Sam Ard

Job Title _____

Address 207 W Park Ave

Phone _____

Street Tallahassee FL 32301

Email _____

City State Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing South Florida Quarter Horse Assn.

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Judiciary, *Chair*
Banking and Insurance, *Vice Chair*
Agriculture
Appropriations Subcommittee on Finance and Tax
Regulated Industries

JOINT COMMITTEE:

Joint Committee on Public Counsel Oversight

SENATOR GREG STEUBE

23rd District

February 12, 2018

The Honorable Kelli Stargel
Florida Senate
322 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399-1100

Dear Senator Grimsley,

Due to a Flight Delay, I respectfully request an excused absence from the Senate Appropriations Subcommittee on Finance and Tax meeting today. Thank you for your consideration in this matter.

Respectfully yours,

A handwritten signature in blue ink, appearing to read "W. Gregory Steube".

W. Gregory Steube
District 23

REPLY TO:

- 722 Apex Road, Unit A, Sarasota, Florida 34240 (941)342-9162
- 326 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5023

Senate's Website: www.flsenate.gov

JOE NEGRON
President of the Senate

ANITERE FLORES
President Pro Tempore

CourtSmart Tag Report

Room: SB 401
Caption: Senate Appropriations Subcommittee on Finance and Tax

Case No.:

Type:
Judge:

Started: 2/12/2018 1:02:54 PM

Ends: 2/12/2018 1:56:14 PM

Length: 00:53:21

1:02:58 PM Sen. Stargel (Chair)
1:03:05 PM Roll Call
1:03:44 PM S 840
1:03:48 PM Sen. Hudson
1:05:32 PM Am. 150524
1:05:38 PM Sen. Hudson
1:07:15 PM Am. 279096
1:07:18 PM Sen. Stargel
1:07:47 PM Am. 150524 (cont)
1:07:55 PM Sen. Garcia
1:08:21 PM Sen. Hudson
1:09:24 PM Christine Graves, Attorney, Pace-O-Matic
1:13:35 PM Sen. Garcia
1:13:37 PM C. Graves
1:13:56 PM Sen. Garcia
1:14:00 PM C. Graves
1:15:02 PM Sen. Garcia
1:15:29 PM Tom Ventura, Ocala Breeders' Sales Company
1:19:27 PM Marc Dunbar, Stronach Group
1:23:19 PM Sen. Garcia
1:23:39 PM M. Dunbar
1:24:04 PM Sen. Garcia
1:24:41 PM M. Dunbar
1:24:44 PM Sen. Garcia
1:24:49 PM M. Dunbar
1:27:10 PM Sen. Garcia
1:27:18 PM M. Dunbar
1:28:41 PM Sen. Hudson
1:28:53 PM S 840 (cont)
1:29:07 PM Tim Parson, No Casinos (Waives in Opposition)
1:29:22 PM Dr. Steve Fisch, Veterinarian, Florida Quarterhorse Racing Association
1:37:28 PM Jeff Kottkamp, Florida Greyhound Association (Waives in Opposition)
1:37:36 PM Katy Macfall, Florida State Director, Humane Society of the United States (Waives in Support)
1:37:43 PM Carey Theil, Executive Director, Grey2k USA (Waives in Support)
1:37:52 PM Ramon Maury, Florida Greyhound Association (Waives in Opposition)
1:38:03 PM Bill Bunkley, President, Florida Ethics and Religious Liberty Commission (Waives in Opposition)
1:38:08 PM Amber Kelley, Legislative Consultant, Florida Family Action (Waives in Opposition)
1:38:18 PM Sam Ard, President, Florida Quarter Horse Association
1:40:25 PM Sen. Garcia
1:40:41 PM S. Ard
1:40:58 PM Sen. Garcia
1:41:04 PM S. Ard
1:41:55 PM Sen. Garcia
1:42:09 PM S. Ard
1:42:19 PM Sen. Garcia
1:42:23 PM S. Ard
1:42:39 PM Sen. Rodriguez
1:43:15 PM T. Parson
1:43:49 PM Sen. Rodriguez
1:44:06 PM Sen. Stargel
1:44:33 PM T. Parson
1:45:00 PM Sen. Stargel

1:45:07 PM	T. Parson
1:45:34 PM	Sen. Stargel
1:45:45 PM	Sen. Garcia
1:47:51 PM	Sen. Campbell
1:49:23 PM	Sen. Garcia
1:49:26 PM	Sen. Campbell
1:49:34 PM	Sen. Rodriguez
1:51:14 PM	Sen. Stargel
1:53:22 PM	Sen. Hudson
1:55:57 PM	Roll Call (Favorable)
1:56:08 PM	Meeting Adjourned