

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

GAMING
Senator Richter, Chair
Senator Sachs, Vice Chair

MEETING DATE: Monday, February 3, 2014
TIME: 1:00 —3:00 p.m.
PLACE: *Toni Jennings Committee Room, 110 Senate Office Building*

MEMBERS: Senator Richter, Chair; Senator Sachs, Vice Chair; Senators Benacquisto, Braynon, Clemens, Dean, Galvano, Gardiner, Latvala, Lee, Margolis, Montford, and Thrasher

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	Presentation about horse industry impacts on Florida's economy (Mr. Will Cummings)		Presented
2	Discussion of elements and options for inclusion in proposed committee bill		Discussed
Other related meeting documents			

Cummings Associates and Civic Economics:

THE ECONOMIC IMPACT OF THE FLORIDA HORSE RACING INDUSTRY

Racing, Training, Breeding, and Track Operations



Project Team

- **Cummings Associates**
Will Cummings (Boston, MA)
- **Civic Economics**
Dan Houston (Austin, TX)
Matt Cunningham (Chicago, IL)

Will Cummings

- ◆ Master of Science from Sloan School of Management at M.I.T.
- ◆ Internationally recognized expert on racing and gaming issues
- ◆ Studies of leisure and entertainment businesses in more than forty states, provinces and foreign countries, with particular focus on gaming and wagering
- ◆ **Extensive** experience in assessing markets for pari-mutuel wagering, casino gaming, and State lotteries

Gov't Agency / Regulatory Clients

- ◆ New Jersey Casino Control Commission
- ◆ Connecticut Division of Special Revenue
- ◆ Iowa Racing and Gaming Commission
- ◆ South Dakota Commission on Gaming
- ◆ Maryland State Lottery and Gaming Control Agency
- ◆ Many State Racing Commissions
- ◆ Horse Racing Alberta
- ◆ Massachusetts State Lottery
- ◆ Virginia State Lottery
- ◆ Connecticut Lottery Corporation
- ◆ Atlantic Lottery Corporation

ABOUT CIVIC ECONOMICS



- ◆ Established 2002
 - Matt Cunningham in Chicago
 - Dan Houston in Austin
- ◆ Economic Analysis & Strategic Planning for Sustainable Prosperity
- ◆ Extensive Experience in Retail, Urban Planning, and Gaming Issues

Total Economic Impact

THE ECONOMIC IMPACT OF THE FLORIDA HORSE RACING INDUSTRY 2012

COMPREHENSIVE ECONOMIC IMPACTS

Including horse racing, training, and breeding, race track operations, and expanded gaming activity

	Direct	Indirect	Induced	Total	
Employment	8,901	999	2,288	12,188	
Labor Income	\$ 254.7	\$ 49.3	\$ 96.1	\$ 400.1	<i>\$ Millions</i>
Output	\$ 469.5	\$ 145.0	\$ 291.1	\$ 905.5	<i>\$ Millions</i>

SOURCES: Survey of Florida horsemen; annual state filings of Florida pari-mutuel horse race tracks, IMPLAN.

THE ECONOMIC IMPACT OF THE FLORIDA HORSE RACING INDUSTRY 2012

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FLORIDA HORSE RACING, TRAINING AND BREEDING

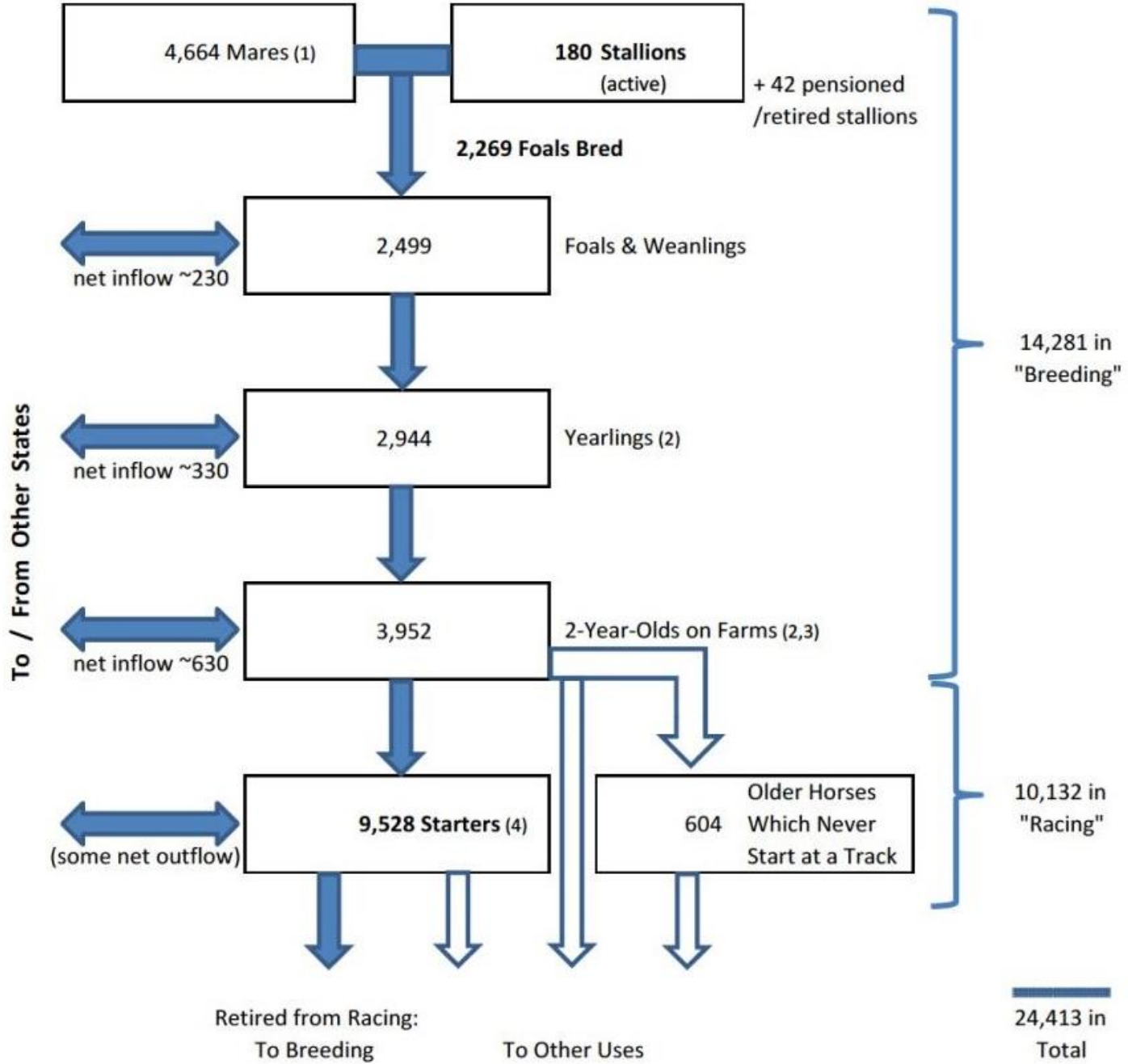
ALL BREEDS, based on a combined in-state horse population of: 24,413

	Direct	Indirect	Induced	Total	
Employment	6,824	351	1,444	8,618	
Labor Income	\$ 174.3	\$ 17.6	\$ 60.6	\$ 252.6	<i>\$ Millions</i>
Output	\$ 224.5	\$ 59.3	\$ 183.7	\$ 467.5	<i>\$ Millions</i>

FLORIDA PARIMUTUEL RACE TRACKS

Including associated casino gaming activity

	Direct	Indirect	Induced	Total	
Employment	2,078	648	844	3,570	
Labor Income	\$ 80.4	\$ 31.7	\$ 35.5	\$ 147.5	<i>\$ Millions</i>
Output	\$ 244.9	\$ 85.6	\$ 107.4	\$ 438.0	<i>\$ Millions</i>



Boldface numbers are from Breed Registries. Other figures are Cummings & Civic estimates.

EXPENSES PER HORSE
All breeds, 2012

Expense Categories	Weighted 2012
Feed, Bedding and Grooming Supplies	\$ 1,890
Medicine and Vitamins	\$ 312
Tack, Equipment, and All Other Supplies	\$ 230
Boarding and Training	\$ 2,835
Rider Education / Lessons	\$ 5
Stud Fees	\$ 425
Shoeing / Farrier	\$ 355
Veterinary Services	\$ 883
All Other Horse Services	\$ 294
Trailer and Horse Transport	\$ 310
Travel and Transportation	\$ 145
Entry Fees	\$ 410
Facilities Maintenance	\$ 367
All Other Business Expenses	\$ 1,130
Employee Compensation (Wages and Non-Cash)	\$ 3,311
Federal Taxes	\$ 292
State Taxes	\$ 42
Local Taxes	\$ 64
Total	\$ 13,298

Expenses per horse for 2012 reflect a weighting of the survey sample by breed

Sources: Survey of Florida horsemen

ASSIGNMENT OF EXPENDITURES TO IMPLAN CATEGORIES

Expense Category	IMPLAN Code	Implan Category
Feed, Bedding and Grooming Supplies	319	Wholesale trade business
Medicine and Vitamins	319	Wholesale trade business
Tack, Equipment, and All Other Supplies	319	Wholesale trade business
Boarding	19	Support activities for agriculture and forestry
Training	19	Support activities for agriculture and forestry
Rider Education / Lessons	403	Spectator sports companies
Stud Fees	14	Animal production, except cattle, poultry, and eggs
Shoeing / Farrier	19	Support activities for agriculture and forestry
Veterinary Services	379	Veterinary Services
All Other Horse Services	19	Support activities for agriculture and forestry
Trailer and Horse Transport	335	Transport by truck
Travel and Transportation	336	Transit and ground passenger transportation
Travel and Transportation	413	Food service and drinking places
Entry Fees	403	Spectator sports companies
Jockey/Driver Fees	403	Spectator sports companies
Contract Workers (exercise riders and others)	19	Support activities for agriculture and forestry
Facilities Maintenance	39	Maintenance and repair construction
All Other Business Expenses	19	Support activities for agriculture and forestry
Employee Compensation (Wages and Non-Cash)	19	Support activities for agriculture and forestry
Federal Taxes	429	Other federal government enterprises
State Taxes	432	Other state and local government enterprises
Local Taxes	432	Other state and local government enterprises

Table 6

TOTAL RACING, TRAINING, AND BREEDING EXPENDITURES BY IMPLAN CODE

319	Wholesale trade business	\$	59,237,555
19	Support activities for agriculture and forestry	\$	199,242,772
14	Animal production, except cattle, poultry, and eggs	\$	10,822,506
403	Spectator sports companies	\$	10,323,178
379	Veterinary Services	\$	21,554,443
335	Transport by truck	\$	7,575,156
336	Transit and ground passenger transportation	\$	1,750,298
413	Food service and drinking places	\$	1,750,298
39	Maintenance and repair construction of nonresidential	\$	8,834,764
429	Other federal government enterprises	\$	7,277,338
432	Other state and local government enterprises	\$	2,658,785

ECONOMIC IMPACT OF FLORIDA RACE HORSE RACING, TRAINING, AND BREEDING
Impact detail by sector

Employment					
Sector	Description	Direct	Indirect	Induced	Total
0	Total	6,824	351	1,444	8,618
1	Agriculture	6,031	33	8	6,072
2	Mining	-	3	2	5
3	Construction	85	10	16	111
4	Manufacturing	-	20	17	37
5	TIPU*	67	34	41	143
6	Trade	59	25	307	391
7	Service	534	219	1,036	1,789
8	Government	48	6	17	72
Labor Income					
Sector	Description	Direct	Indirect	Induced	Total
0	Total	\$ 174,339,660	\$ 17,598,186	\$ 60,622,851	\$ 252,560,697
1	Agriculture	\$ 139,682,162	\$ 1,253,303	\$ 272,138	\$ 141,207,603
2	Mining	\$ -	\$ 85,003	\$ 13,805	\$ 98,808
3	Construction	\$ 4,095,660	\$ 496,882	\$ 762,298	\$ 5,354,840
4	Manufacturing	\$ -	\$ 1,542,368	\$ 991,047	\$ 2,533,414
5	TIPU*	\$ 2,642,158	\$ 1,626,039	\$ 2,202,683	\$ 6,470,880
6	Trade	\$ 4,431,710	\$ 1,598,023	\$ 12,014,224	\$ 18,043,956
7	Service	\$ 19,123,216	\$ 10,503,317	\$ 43,082,393	\$ 72,708,926
8	Government	\$ 4,364,753	\$ 493,252	\$ 1,284,264	\$ 6,142,269
Output					
Sector	Description	Direct	Indirect	Induced	Total
0	Total	\$ 224,542,051	\$ 59,318,220	\$ 183,653,468	\$ 467,513,739
1	Agriculture	\$ 157,022,737	\$ 2,859,328	\$ 859,665	\$ 160,741,730
2	Mining	\$ -	\$ 747,517	\$ 444,541	\$ 1,192,058
3	Construction	\$ 7,936,198	\$ 970,623	\$ 1,743,404	\$ 10,650,225
4	Manufacturing	\$ -	\$ 18,681,035	\$ 7,570,747	\$ 26,251,781
5	TIPU*	\$ 7,131,314	\$ 5,464,690	\$ 8,376,075	\$ 20,972,079
6	Trade	\$ 10,492,481	\$ 3,737,094	\$ 26,960,923	\$ 41,190,499
7	Service	\$ 33,457,634	\$ 25,946,092	\$ 134,834,375	\$ 194,238,102
8	Government	\$ 8,501,686	\$ 911,841	\$ 2,863,737	\$ 12,277,264

* TIPU: Transportation, Information and Public Utilities

Table 9

RACE TRACK EXPENDITURES BY IMPLAN CODE

Code	Implan Category	Expenditures
31	Electric power generation, transmission, distribution	\$8,978,233
39	Maintenance and repair construction of nonresidential structures	\$6,637,593
319	Wholesale trade business	\$3,325,104
323	Retail store- Building material and garden supply	\$24,068
327	Clothing store- clothing and clothing accessories	\$7,274
351	Telecommunications	\$5,609,835
355	Nondeposit credit intermediation and related activities	\$31,633
358	Insurance agencies, brokerages, and related activities	\$12,439,578
360	Real estate establishments	\$11,819,282
374	Management, scientific, and technical consulting services	\$8,161,602
377	Advertising and related industries	\$18,119,897
382	Employment services	\$2,694,456
386	Business support services	\$1,683,722
387	Investigation and security services	\$75,708
388	Services to buildings and dwellings	\$155,141
396	Medical and diagnostic labs and outpatient and other amulatory	\$27,200
402	Performing arts companies	\$92,592
409	Amusement parks, arcades, and gambling industries	\$140,073,063
413	Food services and drinking places	\$20,000,679
424	Grant making, giving, and social advocacy programs	\$40,066
425	Civic, professional, and similar organizations	\$88,613
432	Other state and local government enterprises	\$49,223,152

ECONOMIC IMPACT OF FLORIDA PARIMUTUEL HORSE RACING TRACKS

Including expanded gaming

Impact detail by sector

Employment					
Sector	Description	Direct	Indirect	Induced	Total
0	Total	2,078	648	844	3,570
1	Agriculture	-	3	5	8
2	Mining	-	4	1	5
3	Construction	64	30	9	103
4	Manufacturing	-	15	10	25
5	TIPU*	8	31	24	64
6	Trade	3	17	179	199
7	Service	1,928	530	606	3,065
8	Government	74	18	10	102
Labor Income					
Sector	Description	Direct	Indirect	Induced	Total
0	Total	\$ 80,364,440	\$ 31,670,124	\$ 35,456,456	\$ 147,491,020
1	Agriculture	\$ -	\$ 75,927	\$ 159,183	\$ 235,110
2	Mining	\$ -	\$ 38,907	\$ 8,075	\$ 46,982
3	Construction	\$ 3,077,085	\$ 1,463,703	\$ 445,859	\$ 4,986,648
4	Manufacturing	\$ -	\$ 811,729	\$ 579,695	\$ 1,391,424
5	TIPU*	\$ 1,027,934	\$ 1,655,503	\$ 1,288,346	\$ 3,971,783
6	Trade	\$ 253,680	\$ 889,643	\$ 7,026,071	\$ 8,169,394
7	Service	\$ 70,997,999	\$ 25,301,836	\$ 25,198,041	\$ 121,497,876
8	Government	\$ 5,007,742	\$ 1,432,876	\$ 751,187	\$ 7,191,805
Output					
Sector	Description	Direct	Indirect	Induced	Total
0	Total	\$ 244,926,208	\$ 85,635,127	\$ 107,413,150	\$ 437,974,484
1	Agriculture	\$ -	\$ 236,741	\$ 502,864	\$ 739,605
2	Mining	\$ -	\$ 953,266	\$ 260,045	\$ 1,213,311
3	Construction	\$ 5,962,496	\$ 2,887,288	\$ 1,019,663	\$ 9,869,448
4	Manufacturing	\$ -	\$ 4,930,137	\$ 4,428,629	\$ 9,358,766
5	TIPU*	\$ 7,047,056	\$ 6,236,085	\$ 4,899,367	\$ 18,182,509
6	Trade	\$ 600,019	\$ 2,049,026	\$ 15,767,139	\$ 18,416,184
7	Service	\$ 215,140,484	\$ 65,999,314	\$ 78,860,340	\$ 360,000,139
8	Government	\$ 16,176,152	\$ 2,343,269	\$ 1,675,102	\$ 20,194,523

* TIPU: Transportation, Information and Public Utilities

Total Economic Impact

THE ECONOMIC IMPACT OF THE FLORIDA HORSE RACING INDUSTRY 2012

COMPREHENSIVE ECONOMIC IMPACTS

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SOURCES: Survey of Florida horsemen; annual state filings of Florida pari-mutuel horse race tracks, IMPLAN.

Will E. Cummings
Cummings Associates

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Cummings Associates and Civic Economics:

THE ECONOMIC IMPACT OF THE FLORIDA HORSE RACING INDUSTRY

Racing, Training, Breeding, and Track Operations





Florida Horse Racing Industry Economic Impact

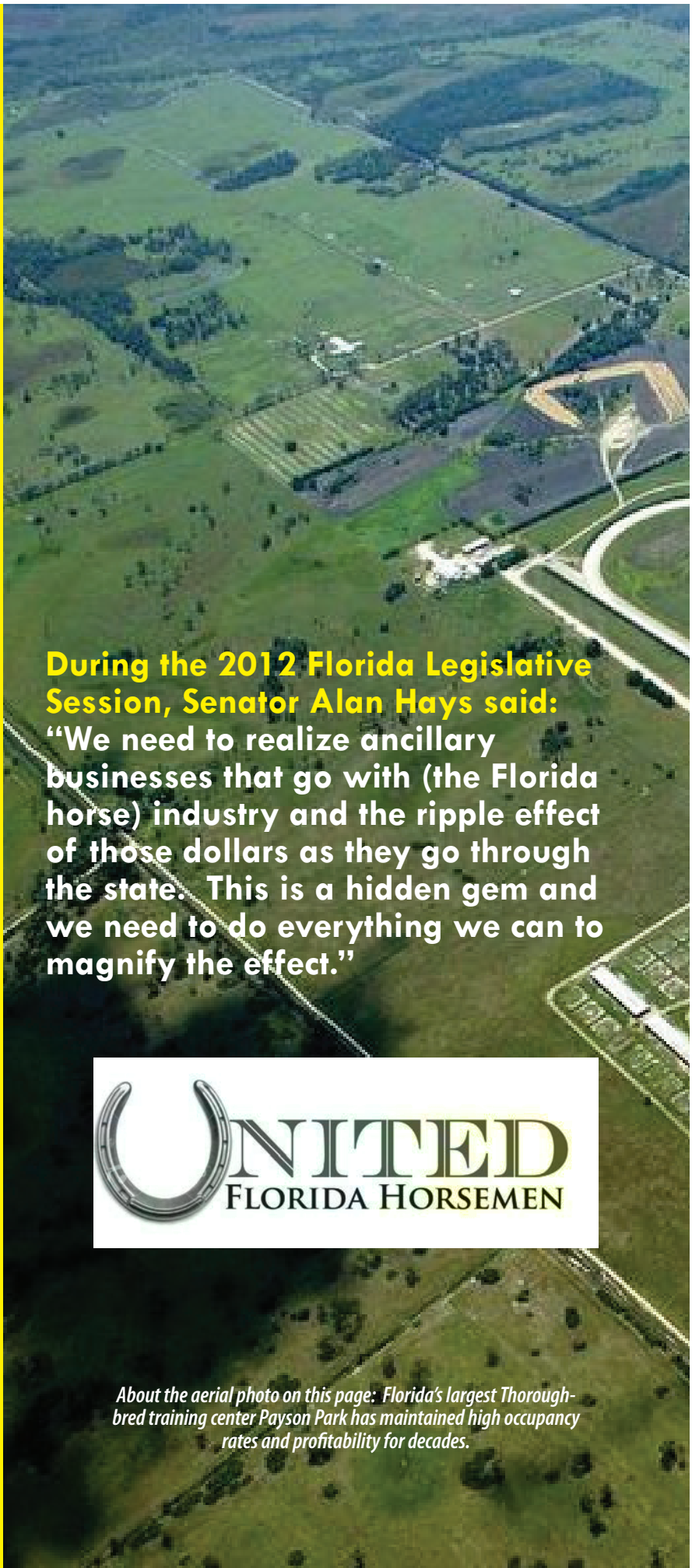
**Racing, Training, Breeding and
Racetrack Operations**

**Presented to the
Florida Senate Committee on Gaming**

February 3, 2014

*With Professional Research Supplied by
Cummings Associates and Civic Economics*






During the 2012 Florida Legislative Session, Senator Alan Hays said:
“We need to realize ancillary businesses that go with (the Florida horse) industry and the ripple effect of those dollars as they go through the state. This is a hidden gem and we need to do everything we can to magnify the effect.”



About the aerial photo on this page: Florida's largest Thoroughbred training center Payson Park has maintained high occupancy rates and profitability for decades.

An aerial photograph of a horse racing track and its surrounding facilities. The track is a large, oval-shaped dirt track with a white border. To the right of the track is a large, rectangular building, likely a grandstand or clubhouse. In the foreground, there are several smaller buildings and parking areas. The surrounding area is green and appears to be a mix of open fields and wooded areas.

A racehorse generates a wide range of jobs for those engaged in their breeding, care, feeding, training, transportation and more.

Racehorses are also the impetus behind the employment of those engaged in the business of track operations (which serves the horses, horsemen, visitors and fans) and those who maintain the elaborate framework of Florida pari-mutuel wagering.

Further, racehorses are the reason for the employment of those engaged in the regulation and monitoring of the industry in the form of taxes and fees paid to various governmental and sanctioning bodies. Those workers and businesses, in turn, circulate that money further within the economy.

These jobs are to be found throughout the State of Florida, in locations both urban and rural. Indeed, the widely distributed and labor-intensive nature of the horse racing industry makes it a particularly desirable form of gaming.

From small farms in the north to the heart of South Florida, racing provides employment opportunities that other forms of gaming simply cannot.

All told, the Florida Horse Racing Industry supports over 12,000 in-state jobs, pays those workers over \$400 million in wages and benefits each year, and generates an annual economic impact of over \$900 million.



An accredited American Quarter Horse foal gets to its feet within an hour of birth--much like the Florida Quarter Horse industry, which has grown by triple digits since its comeback several years ago.

Florida's racehorse breeding industry is world-renowned. Horsemen are drawn to agricultural locations throughout Florida to enjoy our year-round moderate climate, mineral-rich water and soil, outstanding facilities and strong support industries.

Florida's professional racehorse breeding farms--more than 75 percent of them in Ocala/Marion County and the surrounding area--routinely bring positive national publicity to the state, thanks to the champion horses they produce and train.

As our young horses mature, they are frequently transported between Florida and other states for sales, and in pursuit of the best racing opportunities. At the age of two, most horses bred for racing begin serious training, and some are entered into their first races.

The **Florida Thoroughbred Breeders' and Owners' Association (FTBOA)** is a longstanding not-for-profit association which represents more than 1,300 Thoroughbred breeders and owners who breed, raise, train and race horses born in the State of Florida. They work closely with the **Florida Horsemen's Benevolent and Protective Association**, which boasts over 6,000 owner/trainer members statewide--most of whom are small business owners.

Membership in the **Florida Quarter Horse Racing Association**, which works with the **Florida Quarter Horse Breeders' and Owners' Association**, has grown in just five years to over 600 members.



Horse van or air transporter
\$100-300 A MONTH



Stall Bedding Vendor
\$150-\$180 A MONTH



Vet Services for One Racehorse
\$400-\$500 A MONTH



Average Trainer's Workers' Comp Policy
\$20,000 A YEAR



Trainers' Minimum Annual Cost to Keep A Racehorse On Track in Training: **\$25,000**

Horse Racing Is A Time-Tested Economic Driver. **Here's Why . . .**

Many Florida Horse Racing Operations are Just Small Family Businesses

Exactly How Do Racehorses Benefit Florida?

The typical racehorse trainer has 6 to 8 horses in training and employs between 4 and 8 full-time people a year, plus part-timers. His or her break-even cost to keep a racehorse in training on the track is \$25,000 a year, which means each "average" racehorse trainer pumps approximately \$200,000 a year into Florida's economy at the minimum.

So, if legitimate horse racing were eliminated or racing days curtailed or "decoupled," who would really be affected?

The need for the typical 1,000-2,000 horses at tracks such as Calder Race Course, Gulfstream Park, Hialeah Park and Tampa Bay Downs serves to grow the local employee base by thousands. Small businesses emerge in the surrounding areas as racehorse owners and trainers seek to employ locals.



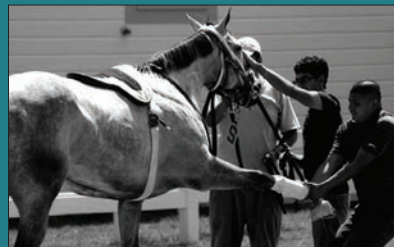
Two Horseshoeings
\$300 PER MONTH



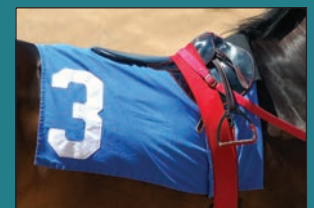
Feed Store and Supplements Vendor
\$250-\$350 A MONTH



Horse Dentist
\$150 PER MONTH



Hotwalker, Groom & Exercise Rider
\$2,000-\$3,000 A MONTH



Equipment Repair and Miscellaneous Fees
\$250 PER MONTH

How Do Horsemen's Average Expenses Stack Up?



Fisch Photography

EXPENSES PER HORSE All breeds, 2012

Expense Categories	Weighted 2012
Feed, Bedding and Grooming Supplies	\$ 1,890
Medicine and Vitamins	\$ 312
Tack, Equipment, and All Other Supplies	\$ 230
Boarding and Training	\$ 2,835
Rider Education / Lessons	\$ 5
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Federal Taxes	\$ 292
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Local Taxes	\$ 64

Total \$ 13,298

Expenses per horse for 2012 reflect a weighting of the survey sample by breed
Sources: Survey of Florida horsemen

Direct economic effects capture the initial impact created by the initial outlay of funds. This includes expenditures on feed, grooming supplies, medicine, horse supplements, veterinary services, travel, etc.

For horse tracks, all revenue derived from operations of the races as well as food and beverage sales and other ancillary activities are considered direct effects.

Indirect effects stem from purchases made by businesses related to the initial impacts described above. For the horse industry, indirect effects include business support services, services to buildings housing the horses, rentals of commercial and industrial machinery, and real estate firms handling the various purchases and rentals of land and buildings related to the horse industry in the state.

For horse tracks, indirect effects include legal and accounting services provided to the tracks and casinos, insurance agencies contracted by the various firms involved in all aspects of the horse industry, advertising related to the horse races, maintenance and repair of all related facilities, and telecommunications provided to all the tracks--just a few examples of the many types of indirect impacts that take place in horse-related industries throughout Florida.

Induced effects are the result of increased household spending due to the direct and indirect economic effects.

Employees of firms directly or indirectly affected by the horse industry buy cars, homes, groceries, eat at restaurants, see doctors, and purchase goods at various retail outlets throughout the state of Florida and stimulate the economy by doing so.

The above figures represent an overall average. For horses in training on the track, which require much more attention and labor, annual costs are usually a **minimum of \$25,000.**

Prices for Florida Thoroughbreds skyrocketed in 2013 by as much as 60 percent over 2012 and are up over 45 percent from just three years ago.

On the first day of the 2013 Ocala Breeders' Sales, for example, 189 Thoroughbreds brought a first-day spring sale record total of \$11,372,500, compared with 186 horses selling for \$7,533,000 at the previous year's opening session. The \$60,172 session first-day average--also a record--soared 48.6 percent above the average of \$40,500. The \$37,000 median price rose 48 percent, compared with \$25,000 a year ago.

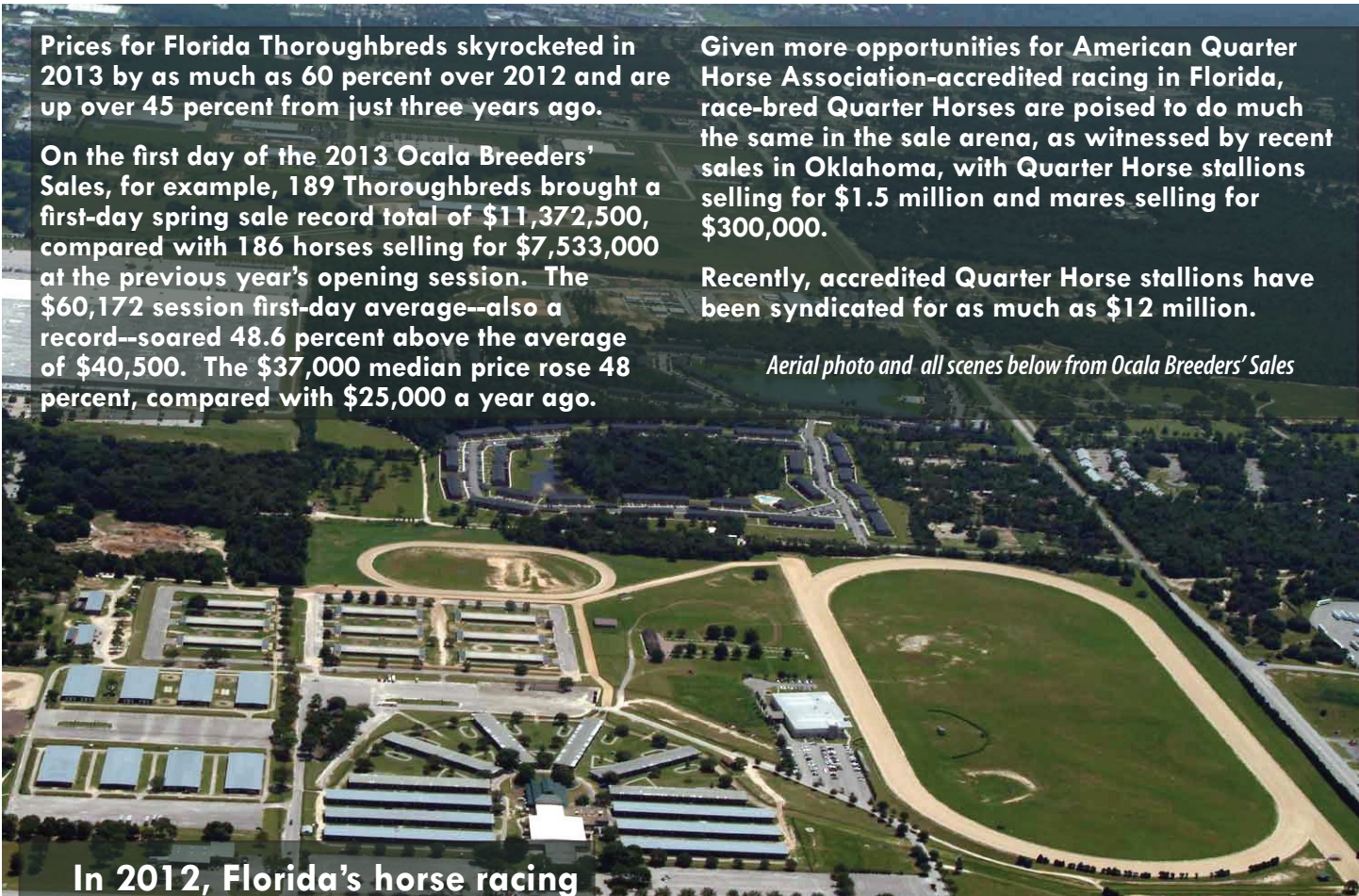
Given more opportunities for American Quarter Horse Association-accredited racing in Florida, race-bred Quarter Horses are poised to do much the same in the sale arena, as witnessed by recent sales in Oklahoma, with Quarter Horse stallions selling for \$1.5 million and mares selling for \$300,000.

Recently, accredited Quarter Horse stallions have been syndicated for as much as \$12 million.

Aerial photo and all scenes below from Ocala Breeders' Sales

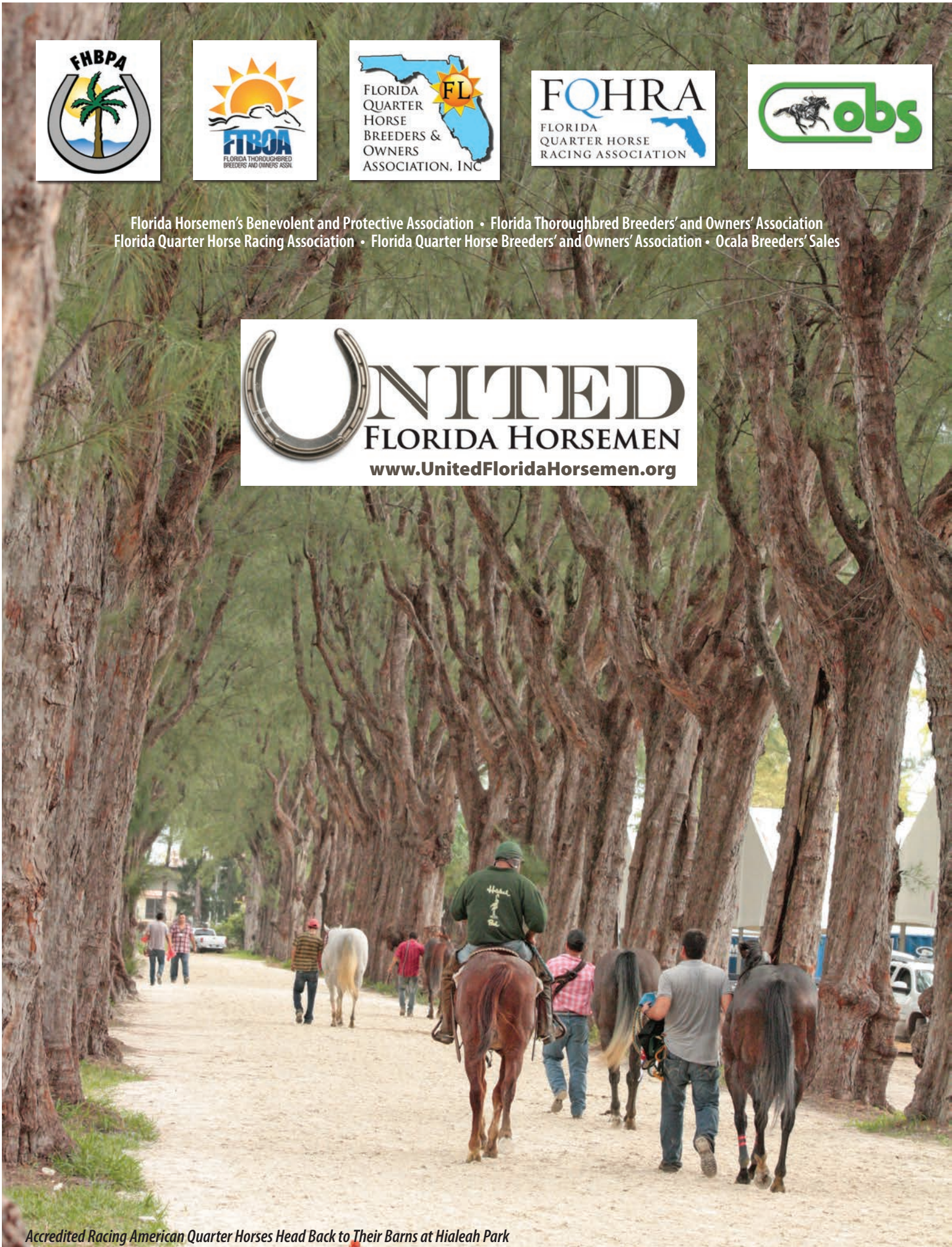
In 2012, Florida's horse racing industry saw 24,413 horses engaged in the activities of horse racing and racehorse breeding:

- 20,462 Thoroughbreds
- 2,474 Quarter Horses
- 1,477 Standardbreds





Florida Horsemen's Benevolent and Protective Association • Florida Thoroughbred Breeders' and Owners' Association
 Florida Quarter Horse Racing Association • Florida Quarter Horse Breeders' and Owners' Association • Ocala Breeders' Sales



Accredited Racing American Quarter Horses Head Back to Their Barns at Hialeah Park

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

2/4/14
Meeting Date

Topic ECONOMIC IMPACT OF HORSE RACING + BREEDING INDUSTRY Bill Number _____
(if applicable)

Name DR. STACE FISCH Amendment Barcode _____
(if applicable)

Job Title PRESIDENT FLORIDA GRAND NURSING ASSOCIATION

Address 7085 WILLOW HILL DRIVE Phone 850.386.3619
Street
TALLAHASSEE, FL 32309 E-mail STFISCH@NIA.ORG
City State Zip
AUSEQUINE HOSPITAL.COM

Speaking: For Against Information

Representing UNITED FLORIDA NURSES

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.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

2/3/14
Meeting Date

Topic HORSE RACING Bill Number _____ (if applicable)

Name WILL CUMMINGS Amendment Barcode _____ (if applicable)

Job Title PRESIDENT, CUMMINGS ASSOCIATES

Address 135 JASON ST Phone 781-641-1215

Street

ARLINGTON, MA 02476
City State Zip

E-mail CUMMINGSW@AFL.COM

Speaking: For Against Information

Representing CUMMINGS ASSOCIATES & CIVIC ECONOMICS

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.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date _____

Topic Thoroughbred Industry

Bill Number _____
(if applicable)

Name Lonny Powell

Amendment Barcode _____
(if applicable)

Job Title CEO, FLA THOROUGH BRED BREEDERS AND OWNERS ASSN

Address 4560 West 60th Ave

Phone 852-629-2166

Street

Ocala FL 34479

City

State

Zip

E-mail Lpowell@FTBOA.com

Speaking: For Against Information

Representing FTBOA

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
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

2/13/14

Meeting Date

Topic _____

Bill Number _____
(if applicable)

Name Dan Russell

Amendment Barcode _____
(if applicable)

Job Title _____

Address PO Box 351

Phone 561 859 7444

Street

Tallahassee

FL

32302

City

State

Zip

E-mail drussell@joneswalker.com

Speaking: For Against Information

Representing Horse Racing Interests (Jockey Club)

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.

Elements and options

...for inclusion in
Proposed Committee Bill



The Florida Senate
Gaming Committee
Senator Richter, Chair
Senator Sachs, Vice Chair

Elements of proposed committee bill

- ❑ Address obsolete or ambiguous provisions in chapters 550, 551, and 849, *Fla. Stat.*
- ❑ Craft statutes that are clear, relevant, and well organized (restructure existing “patchwork” of gaming laws)
- ❑ Authorize limited new opportunities for gaming
- ❑ Consider current framework and options for regulatory control
- ❑ Authorize Governor to negotiate amendments to the Seminole Gaming Compact (subject to ratification by Legislature)

Regulatory framework / options

- ❑ Keep regulation of pari-mutuels, card rooms, and slot machines, as well as oversight of the Seminole Gaming Compact, in the Division of Pari-Mutuel Wagering in DBPR?
- ❑ Move licensing, regulation, tax collection, and law enforcement duties to a new “Gaming Control” department?
 - ❑ Secretary serves as agency head? OR
 - ❑ Multi-member commission serves as agency head?
- ❑ Move licensing, regulation, tax collection, or law enforcement duties to one or more other agencies?

Qualifications for commissioner / secretary

- ❑ Criminal background investigation and credit history?
- ❑ Expertise in accounting, information technologies, corporate finance, law enforcement, or other relevant experience?
- ❑ Number of years that former elected officials are ineligible for appointment (2, 3, 4, 5, or some other number of years)?
- ❑ Number of years that former Gaming Control officials are barred from gaming industry employment, ownership, or other remuneration (2, 3, 4, 5, or some other number of years)?

If commission, who appoints?

- ❑ Governor?
- ❑ Governor, from list submitted by nominating committee?
 - ❑ Appointment of nominating committee by whom?
 - ❑ Senate President? House Speaker? Attorney General? Chief Financial Officer? Commissioner of Agriculture and Consumer Services?
- ❑ Some other appointing authority?

If commission, how will it work?

- ❑ Full-time or part-time?
- ❑ Level of compensation?
- ❑ Number of commissioners (3, 4, 5 or some other number)?
- ❑ Length of terms (4 years, some other number, or at the pleasure of the Governor)?
- ❑ Number of terms before disqualification from reappointment?

Eliminate or reduce live racing requirements

- ❑ Let operators choose whether or not to conduct live races based on the market?
- ❑ To mitigate a track's competitive advantage from not having to run unprofitable races:
 - ❑ Increase card room taxes and slots taxes to capture a share of the track's savings?
 - ❑ Require the track to contribute to a "purse pool" that benefits live racing?
 - ❑ Some other option or combination of options?

Racing regulations

- ❑ Require injury reporting?
- ❑ Detail specific rules relating to pari-mutuel performances (e.g., track requirements currently within the executive authority of the Division of Pari-Mutuel Wagering)?

Number of destination casino resorts

- ❑ How many destination casino resorts?
 - ❑ None
 - ❑ A limited number in Miami-Dade or Broward counties
 - ❑ A limited number statewide
 - ❑ An unlimited number statewide

Features of destination casino resorts

- ❑ Minimum capital investment value
- ❑ Minimum numbers of jobs for construction and operation
- ❑ Minimum size of mixed-use elements in development
- ❑ Absolute and relative restrictions on size of casino gaming floor
- ❑ Required minimum ratio of table games to slots
- ❑ Minimum share of revenue generated from out-of-state visitors

Prerequisites for casino license

- ❑ Competitive negotiations?
 - ❑ Development plans
 - ❑ Contributions to state revenue (license fees and tax rates)
 - ❑ Other factors?
- ❑ Criminal background investigations and credit histories?
- ❑ Local referendum?

Slots at existing pari-mutuel facilities

- ❑ Referendum required prior to adding slots?
- ❑ Other considerations?

Arcades

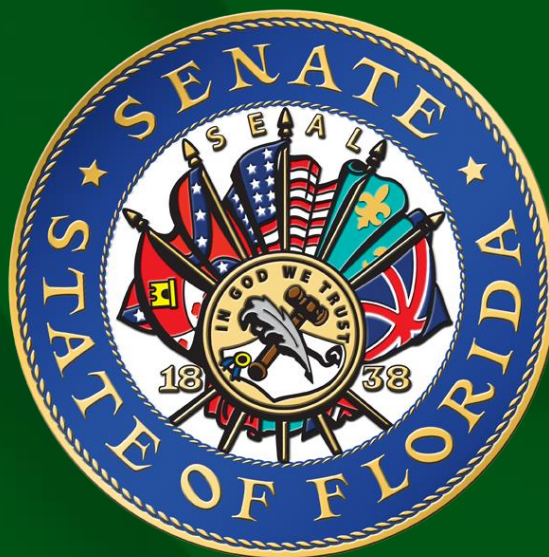
- ❑ Remove requirement for a minimum of 50 amusement machines at a location?
- ❑ Remove requirement that amusement machines be coin-operated only?
- ❑ Increase merchandise value (currently \$0.75 per game played)?
- ❑ Provide exemption for machines that dispense merchandise (e.g., “claw” machines)?
- ❑ Certification process for distinguishing amusement machines from slots machines?

Proposed Constitutional Amendment

- Require that future expansion of gaming be contingent on approval by a majority of voters in a statewide election.

What can / should the state do about...

- ❑ Advance deposit wagering (ADW)?
- ❑ Internet gambling?
- ❑ Dormant, inactive, or co-located permits?



Senate Committee on Gaming

Monday, February 3, 2014, 1:00 — 3:00 PM

Toni Jennings Committee Room, 110 Senate Office Building
Tallahassee, Florida

<http://www.flsenate.gov/topics/gaming>



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

SENATOR CHARLES S. DEAN, SR.
5th District

COMMITTEES:
Environmental Preservation and
Conservation, *Chair*
Appropriations Subcommittee on Criminal and
Civil Justice
Appropriations Subcommittee on General
Government
Children, Families, and Elder Affairs
Criminal Justice
Gaming
Military Affairs, Space, and Domestic Security

January 31, 2014

The Honorable Garrett Richter
404 Senate Office Building
404 South Monroe St.
Tallahassee, FL 32399-1100

Dear Chairman Richter,

The purpose of this letter is to seek your permission to be excused from the scheduled Gaming Committee meeting on February 3, 2014. Due to unforeseen circumstances, I will not be able to attend.

Should you have any questions concerning this matter, please do not hesitate to contact me personally.

Sincerely,

A handwritten signature in black ink that reads "Charles S. Dean".

Charles S. Dean
State Senator District 5

cc: John Guthrie, Staff Director
Chris Clark, President's Office

A handwritten signature in black ink that reads "Garrett Richter".

REPLY TO:

- 405 Tompkins Street, Inverness, Florida 34450 (352) 860-5175
- 311 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5005
- 315 SE 25th Avenue, Ocala, Florida 34471-2689 (352) 873-6513

Senate's Website: www.flsenate.gov

DON GAETZ
President of the Senate

GARRETT RICHTER
President Pro Tempore

CourtSmart Tag Report

Room: EL 110
Caption: Gaming Committee

Case:
Judge:

Type:

Started: 2/3/2014 1:04:25 PM
Ends: 2/3/2014 3:00:24 PM **Length:** 01:56:00

1:04:26 PM Chairman's remarks
1:06:45 PM Presentation on the impact of horse racing in Florida
1:07:24 PM Dr. Steve Fish is recognized for an introduction
1:11:26 PM Mr. Will Cummings is recognized
1:18:03 PM Senator Montford for a question
1:20:06 PM Mr. Lonny Powell FLA Thoroughbred Breeders and Owners Association
1:27:17 PM Questions:
1:27:19 PM Senator Latvala for a series of questions?
1:32:09 PM Senator Montford for questions?
1:35:47 PM Senator Sachs for a couple of questions?
1:39:31 PM Senator Margolis for a series of questions?
1:42:23 PM Chairman Remarks on the Seminole Compact Agreement
1:43:29 PM Senator Galvano for comments
1:44:36 PM Senator Margolis for a comment
1:44:55 PM Senator Montford for a comment
1:45:24 PM Chair comments for clarification
1:46:44 PM Mr. Dan Russell recognized for brief comments
1:47:35 PM Chair Richter for comments
1:48:40 PM Discussion for comments for inclusion on the Proposed Committee Bill
1:52:31 PM Senator Braynon for comments
1:53:26 PM Chair further discussion of items to include
1:54:58 PM Senator Benaquisto for comments
1:55:24 PM Senator Latvala for comments
1:56:49 PM Senator Sachs comments
1:57:52 PM Senator Margolis for comments
1:59:02 PM Senator Thrasher for comments
1:59:59 PM Mr. Guthrie is recognized to discuss the negotiations re: Seminole Compact
2:04:03 PM Senator Galvano for clarification
2:05:33 PM Now on slide 4 further discussion
2:08:02 PM Senator Gardiner for comments
2:09:35 PM Senator Latvala for comments re: Gaming Commission
2:10:53 PM Senator Sachs for question
2:14:09 PM Mr. Guthrie for comments regarding appointments to the commission
2:15:46 PM Further discussion by the Chair
2:16:36 PM Senator Latvala for comments
2:17:01 PM Mr. Guthrie for comments
2:17:28 PM Senator Sachs for comments re: appointments
2:19:14 PM Senator Lee for a question
2:24:30 PM Senator Richter Continuing with presentation
2:24:57 PM Sen Braynon with comments re: commission
2:25:41 PM Sen Richter with comments
2:26:20 PM Senator Latvala for question/comment on commission appointments
2:27:56 PM Senator Sachs regarding length of terms
2:29:12 PM Senator Gardiner for comments
2:29:42 PM Mr. Guthrie for an answer on why keep Lottery separate from the proposed commission
2:32:00 PM Eliminate or reduce live racing requirement discussion
2:32:59 PM Comments?
2:33:05 PM Senator Clemens
2:33:17 PM Senator Sachs for comments
2:33:47 PM Chair for comments
2:34:20 PM Senator Margolis for comments re: decoupling
2:36:02 PM Senator Latvala for feedback

2:40:36 PM Chair Richter for comments
2:41:32 PM Senator Lee for comments and feedback
2:44:14 PM Chair Richter for further comments for inclusion in the pcb
2:44:57 PM Mr. Guthrie for comments re: racing regulations
2:46:02 PM Senator Sachs for comments re: injuries
2:47:01 PM Slide 9 - destination casino resorts
2:48:08 PM Chair comments on the casino resorts
2:48:55 PM Features of destination casino resorts
2:51:02 PM Comments by Senator Braynon
2:54:20 PM Final comments by Chair Richter
2:54:35 PM Senator Gardiner for a quick question
2:55:25 PM Senator Richter for comments
2:56:09 PM Senator Gardiner comments
2:56:25 PM Chair Richter for comments
2:56:39 PM Senator Sachs final comments
2:57:03 PM Senator Latvala for question
2:58:46 PM Response by Chair Richter
2:59:38 PM Senator Margolis
3:00:13 PM Senator Thrasher moves we rise