

Committee on Appropriations

CS/SB 2-A — Implementation of the 2021 Gaming Compact Between the Seminole Tribe of Florida and the State of Florida

by Appropriations Committee; and Senator Hutson

This bill ratifies the 2021 Gaming Compact executed by the Seminole Tribe of Florida (Seminole Tribe) and by Governor DeSantis on behalf of the State of Florida (state) on April 23, 2021, as amended on May 17, 2021 (the 2021 Gaming Compact).

The bill takes effect only if the Gaming Compact between the Seminole Tribe of Florida and the State of Florida executed by the Governor and the Seminole Tribe of Florida on April 23, 2021, as amended on May 17, 2021, under the Indian Gaming Regulatory Act of 1988, is approved or deemed approved and not voided by the United States Department of the Interior, and shall take effect on the date that notice of the effective date of the compact is published in the Federal Register.

The 2021 Gaming Compact:

- Provides the Seminole Tribe with partial, but significant additional substantial exclusivity for specified gaming activities in Florida, as detailed below.
- Requires the payment of revenue share payments by the Seminole Tribe based on varying percentage rates under specified conditions.
- Includes a guaranteed minimum compact term payment of \$2.5 billion for the first five years (not less than \$400 million annually, which is assumed to be August 1 to July 31, dependent upon approval date by the Secretary).
- Has a term ending July 31, 2051.
- Continues to authorize the Seminole Tribe to conduct banking card games, including baccarat, chemin de fer, and blackjack (21), at its gaming facilities; the play of poker games in a designated player manner, is not a violation of the exclusivity granted to the Seminole Tribe, if such play is compliant with the following restrictions:
 - Poker games played in a designated player manner must have been identified in cardroom license applications approved by the division on or before March 15, 2018, or, if a substantially similar poker game, identified in cardroom license applications approved by the division on or before April 1, 2021;
 - If the cardroom is located in Broward County, Collier County, Glades County, Hendry County, Hillsborough County, or Miami-Dade County (i.e., where slot machine gaming is authorized in state and tribal facilities), the cardroom operator is limited to offering no more than 10 tables for the play of poker games in a designated player manner;
 - If the cardroom is located outside Broward County, Collier County, Glades County, Hendry County, Hillsborough County, or Miami-Dade County (i.e., where slot machine gaming is not authorized), the cardroom operator is limited to offering no more than 30 tables for the play of poker games in a designated player manner;
 - There may not be more than nine players and a nonplayer dealer at each table;

- A cardroom operator may not have any direct economic interest in a poker game played in a designated player manner, except for the rake; and
- A cardroom operator may not receive any portion of the winnings of a poker game played in a designated player manner. Any abnormal betting activity or patterns that may indicate a concern about the integrity of a sports event or events.
- Permits the Seminole Tribe to offer table games, such as craps and roulette, at its gaming facilities.
- Authorizes sports betting on professional and collegiate sport events by players physically located in the State who may use a mobile or other electronic device, exclusively by and through sports books conducted and operated by the Seminole Tribe, which must contract with any willing, qualified pari-mutuel permitholder to perform marketing and similar services in support of the sports books, for compensation of not less than 60 percent of the profit associated with wagering by the permitholder's registered patrons through the permitholder's branded website or mobile application. Such wagering is to be deemed to be exclusively conducted by the Seminole Tribe where the servers or other devices used to conduct such wagering activity on the Seminole Tribe's Indian lands are located. However, the Seminole Tribe will not commence sports betting before October 15, 2021.
- Authorizes Fantasy Sports Contests; acceptance of entry fees for fantasy sports contests, including the receipt of entry fees paid by players physically located within the State using a mobile or other electronic device, which is deemed to be exclusively conducted by the Seminole Tribe where the servers or other devices used to conduct such wagering activity on the Seminole Tribe's Indian lands are located.
- Continues to authorize the Seminole Tribe to conduct slot machine gaming at its gaming facilities.
- Allows the Seminole Tribe to add up to three additional facilities within its Hollywood Reservation.
- Specifies that the Seminole Tribe may employ a management contractor or licensee, as permitted by the Indian Gaming Regulatory Act (IGRA) and Code of Federal Regulations (C.F.R.), but the Seminole Tribe remains solely responsible for the operation of slot machine gaming, craps, roulette, banking card games, fantasy sports contests, and sports betting (Covered Games or Covered Gaming Activity).

Gaming Compliance Standards and Requirements

The 2021 Gaming Compact:

- Specifies the operation of Covered Gaming Activity on tribal facilities must comply with the:
 - Federal Wire Act (18 United States Code § 1084);
 - Seminole Tribal Gaming Code approved by the National Indian Gaming Commission (NIGC);
 - Rules and Regulations promulgated by the Seminole Tribal Gaming Commission, the tribal governmental agency with authority to carry out the Seminole Tribe's regulatory and oversight responsibilities under the gaming compact; and

- National Indian Gaming Commission's Guidance for Class III Minimum Internal Control Standards.
- Requires the Seminole Tribe to:
 - Pay an annual oversight assessment of up to \$600,000 to be used for the operation of the State Compliance Agency; if any additional tribal gaming facilities are added as authorized under the 2021 Compact, the assessment increases by \$150,000 annually, per additional facility;
 - Make an annual donation to the Florida Council on Compulsive Gaming as an assignee of the state of \$250,000 per operational gaming facility;
 - Have compliance audits prepared for slot machine operations and sports betting operations;
 - Limit the play of Covered Games to persons who must be 21 years of age or older, unless otherwise permitted by state law;
 - Prevent illegal activity at its gaming facilities;
 - Prevent illegal activity associated with its web applications and websites employed for sports betting;
 - Ensure prompt notice is given to law enforcement authorities about persons who may be involved in illegal acts; and
 - Ensure that its gaming facilities comply with Florida Building Code standards.

Exceptions to Exclusive Rights Granted to the Seminole Tribe

The 2021 Gaming Compact provides exceptions to the Seminole Tribe's exclusive rights, including:

- Continued slot machine gaming at the eight pari-mutuel permitholder locations in Broward and Miami-Dade counties, with certain actions requiring written consent of the Seminole Tribe relating to proximity to tribal gaming facilities; slot machines may not offer games using tangible playing cards, but may offer games using electronic or virtual cards.
- Continued operation of electronic bingo card minders and historic racing machines at pari-mutuel facilities located outside of counties with slots facilities (not more than 350 total per facility).
- Continued operation of pari-mutuel wagering activities at licensed facilities.
- Continued poker at licensed cardrooms, including poker games played in a designated player manner, in which one player is permitted, but not required, to cover other players' wagers, for games that were approved by the Department of Business and Professional Regulation before April 1, 2021, and a limitation on the number of tables depending on whether slot machine gaming is authorized in the county where the cardroom is located.
- No cardroom operator may have any direct economic interest in a designated player game except for the rake; and
- No card room operator may receive any portion of the designated player's winnings.
- Continued operation of lottery games and the use of lottery vending machines by the Florida Lottery, including certain technologic enhancements for lottery games, and the

use of a device or the Internet to scan play slips and communicate winning numbers for draw lottery games.

- Operation of amusement games authorized by chapter 546, F.S.
- Operation of fantasy sports contests.
- Provision of marketing services by a qualified pari-mutuel permit holder pursuant to a written agreement with the Seminole Tribe associated with the Seminole Tribe's operation of sports betting.

The bill revises the distribution of the local government share amounts for governmental services where tribal gaming facilities are located. The share derived from the Seminole Indian Casino-Hollywood, and the Seminole Hard Rock Hotel and Casino-Hollywood is revised to be distributed to the City of Hollywood (42.5 percent) and the Town of Davie (22.5 percent). The share derived from the Seminole Indian Gaming Casino-Immokalee is revised to be distributed to Collier County (75 percent) and the Immokalee Fire Control District (25 percent).

The bill also provides the local government share derived from the three additional gaming facilities that the Seminole Tribe is authorized to add to its Hollywood Reservation pursuant to the 2021 Gaming Compact will be distributed to Broward County (25 percent), the City of Hollywood (35 percent), the Town of Davie (30 percent), and the City of Dania Beach (10 percent).

If approved by the Governor, these provisions take effect only if the Gaming Compact between the Seminole Tribe of Florida and the State of Florida executed by the Governor and the Seminole Tribe of Florida on April 23, 2021, as amended on May 17, 2021, under the Indian Gaming Regulatory Act of 1988, is approved or deemed approved and not voided by the United States Department of the Interior, and shall take effect on the date that notice of the effective date of the compact is published in the Federal Register.

Vote: Senate 39-1; House 97-17