

By Representative Heyman

1                                   A bill to be entitled  
 2           An act relating to the operation of cardrooms;  
 3           amending s. 849.086, F.S.; revising standards  
 4           on when cardrooms may be operated and the  
 5           amount of bets allowable for each round, hand,  
 6           or game; authorizing facilities to award  
 7           prizes; redefining the terms "authorized games"  
 8           and "net proceeds"; abolishing certain  
 9           admissions taxes; revising the amount of  
 10          cardroom receipts that must be used to  
 11          supplement greyhound and jai alai purses;  
 12          providing an effective date.

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 14 Be It Enacted by the Legislature of the State of Florida:

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 16           Section 1. Paragraphs (a) and (j) of subsection (2)  
 17          and subsections (7), (8), and (13) of section 849.086, Florida  
 18          Statutes, are amended to read:

19                   849.086 Cardrooms authorized.--

20                   (2) DEFINITIONS.--As used in this section:

21                   (a) "Authorized games" means only those games that are  
 22          described in the most current edition of Hoyle's Rules of  
 23          Games authorized by s. 849.085(2)(a) and that ~~which~~ are played  
 24          in a nonbanking manner.

25                   (j) "Net proceeds" means the total amount of gross  
 26          receipts received by a cardroom operator from cardroom  
 27          operations less direct operating expenses related to cardroom  
 28          operations, including labor costs, ~~admission taxes only if a~~  
 29          ~~separate admission fee is charged for entry to the cardroom~~  
 30          ~~facility,~~ gross receipts taxes imposed on cardroom operators  
 31          by this section, the annual cardroom license fees imposed by

1 this section on each table operated at a cardroom, and  
2 reasonable promotional costs excluding officer and director  
3 compensation, interest on capital debt, legal fees, real  
4 estate taxes, bad debts, contributions or donations, or  
5 overhead and depreciation expenses not directly related to the  
6 operation of the cardrooms.

7 (7) CONDITIONS FOR OPERATING A CARDROOM.--

8 (a) A cardroom may only be operated at the location  
9 specified on the cardroom license issued by the division, and  
10 such location may only be the location at which the  
11 pari-mutuel permit holder is authorized to conduct pari-mutuel  
12 wagering activities pursuant to such permit holder's valid  
13 pari-mutuel permit and current license.

14 (b) A cardroom may be operated at the facility only  
15 when the facility is authorized to accept wagers on  
16 pari-mutuel events during its authorized meet. A cardroom may  
17 begin operations within 2 hours prior to the post time of the  
18 first pari-mutuel event ~~conducted live at the pari-mutuel~~  
19 ~~facility~~ on which wagers are accepted by the facility and must  
20 cease operations by 2 a.m. on the following day ~~within 2 hours~~  
21 ~~after the conclusion of the last pari-mutuel event conducted~~  
22 ~~live at the pari-mutuel facility on which wagers are accepted.~~

23 (c) A cardroom operator must at all times employ and  
24 provide a nonplaying dealer for each table on which authorized  
25 card games which traditionally utilize a dealer are conducted  
26 at the cardroom. Such dealers may not have any participatory  
27 interest in any game other than the dealing of cards and may  
28 not have an interest in the outcome of the game. The  
29 providing of such dealers by a licensee shall not be construed  
30 as constituting the conducting of a banking game by the  
31 cardroom operator.

1           (d) A facility that operates a cardroom may award  
2 giveaways or prizes to players who hold combinations of cards  
3 specified by the cardroom operator.

4           ~~(e)(d)~~ Each cardroom operator shall conspicuously post  
5 upon the premises of the cardroom a notice which contains a  
6 copy of the cardroom license; a list of authorized games  
7 offered by the cardroom; the wagering limits imposed by the  
8 house, if any; any additional house rules regarding operation  
9 of the cardroom or the playing of any game; and all costs to  
10 players to participate, including any rake by the house. In  
11 addition, each cardroom operator shall post at each table a  
12 notice of the minimum and maximum bets authorized at such  
13 table and the fee for participation in the game conducted.

14           ~~(f)(e)~~ The cardroom facility shall be subject to  
15 inspection by the division or any law enforcement agency  
16 during the licensee's regular business hours. The inspection  
17 will specifically encompass the permitholder internal control  
18 procedures approved by the division.

19           ~~(g)(f)~~ A cardroom operator may refuse entry to or  
20 refuse to allow to play any person who is objectionable,  
21 undesirable, or disruptive, but such refusal shall not be on  
22 the basis of race, creed, color, religion, sex, national  
23 origin, marital status, physical handicap, or age, except as  
24 provided in this section.

25           (8) METHOD OF WAGERS; LIMITATION.--

26           (a) No wagering may be conducted using money or other  
27 negotiable currency. Games may only be played utilizing a  
28 wagering system whereby all players' money is first converted  
29 by the house to tokens or chips which shall be used for  
30 wagering only at that specific cardroom.

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1           (b) Each bet ~~The winnings of any player in a single~~  
2 ~~round, hand, or game~~ may not exceed ~~\$25~~\$10 in value. The fee  
3 charged by the cardroom for participation in the game shall  
4 not be included in the calculation of the limitation on the  
5 ~~bet pot~~ size provided in this paragraph.

6           (c) Notwithstanding the limit prescribed in paragraph  
7 (b), a facility may conduct a tournament at which there is no  
8 limit on the amount of winnings for a single round, hand, or  
9 game. Such a tournament may not be conducted by that facility  
10 more frequently than quarterly.

11           (13) TAXES AND OTHER PAYMENTS.--

12           (a) Each cardroom operator shall pay a tax to the  
13 state of 10 percent of the cardroom operation's monthly gross  
14 receipts.

15           ~~(b) An admission tax equal to 15 percent of the~~  
16 ~~admission charge for entrance to the licensee's cardroom~~  
17 ~~facility, or 10 cents, whichever is greater, is imposed on~~  
18 ~~each person entering the cardroom. This admission tax shall~~  
19 ~~apply only if a separate admission fee is charged for entry to~~  
20 ~~the cardroom facility. If a single admission fee is charged~~  
21 ~~which authorizes entry to both or either the pari-mutuel~~  
22 ~~facility and the cardroom facility, the admission tax shall be~~  
23 ~~payable only once and shall be payable pursuant to chapter~~  
24 ~~550. The cardroom licensee shall be responsible for~~  
25 ~~collecting the admission tax. An admission tax is imposed on~~  
26 ~~any free passes or complimentary cards issued to guests by~~  
27 ~~licensees in an amount equal to the tax imposed on the regular~~  
28 ~~and usual admission charge for entrance to the licensee's~~  
29 ~~cardroom facility. A cardroom licensee may issue tax-free~~  
30 ~~passes to its officers, officials, and employees or other~~  
31 ~~persons actually engaged in working at the cardroom, including~~

1 ~~accredited press representatives such as reporters and~~  
2 ~~editors, and may also issue tax-free passes to other cardroom~~  
3 ~~licensees for the use of their officers and officials. The~~  
4 ~~licensee shall file with the division a list of all persons to~~  
5 ~~whom tax-free passes are issued.~~

6 (b)(c) Payment of the ~~admission tax~~ and gross receipts  
7 tax imposed by this section shall be paid to the division. The  
8 division shall deposit these sums with the Treasurer, one-half  
9 being credited to the Pari-mutuel Wagering Trust Fund and  
10 one-half being credited to the General Revenue Fund. The  
11 cardroom licensee shall remit to the division payment for ~~the~~  
12 ~~admission tax, the gross receipts tax, and the licensee fees.~~  
13 Such payments shall be remitted to the division on the fifth  
14 day of each calendar month for taxes and fees imposed for the  
15 preceding month's cardroom activities. Licensees shall file a  
16 report under oath by the fifth day of each calendar month for  
17 all taxes remitted during the preceding calendar month. Such  
18 report shall, under oath, indicate the total of all  
19 admissions, the cardroom activities for the preceding calendar  
20 month, and such other information as is ~~may be~~ prescribed by  
21 the division.

22 (c)(d) Each greyhound and jai alai permitholder that  
23 ~~which~~ operates a cardroom facility shall utilize at least 10 ~~4~~  
24 percent of such permitholder's cardroom monthly gross receipts  
25 to supplement greyhound purses or jai alai prize money,  
26 respectively, during the permitholder's next ensuing  
27 pari-mutuel meet. Each thoroughbred and harness horse racing  
28 permitholder that ~~which~~ operates a cardroom facility shall  
29 utilize at least 50 percent of such permitholder's cardroom  
30 monthly net proceeds as follows: 47 percent to supplement  
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1 purses and 3 percent to supplement breeders' awards during the  
2 permitholder's next ensuing racing meet.

3 (d)~~(e)~~ The failure of any licensee to make payments as  
4 prescribed in paragraph(b)~~(c)~~ is a violation of this  
5 section, and the licensee may be subjected by the division to  
6 a civil penalty of up to \$1,000 for each day the tax payment  
7 is not remitted. All penalties imposed and collected shall be  
8 deposited in the General Revenue Fund. If a licensee fails to  
9 pay penalties imposed by order of the division under this  
10 subsection, the division may suspend or revoke the license of  
11 the cardroom operator or deny issuance of any further license  
12 to the cardroom operator.

13 (e)~~(f)~~ The cardroom shall be deemed an accessory use  
14 to a licensed pari-mutuel operation and, except as provided in  
15 chapter 550, a municipality, county, or political subdivision  
16 may not assess or collect any additional license tax, sales  
17 tax, or excise tax on such cardroom operation.

18 (f)~~(g)~~ All of the moneys deposited in the Pari-mutuel  
19 Wagering Trust Fund, except as set forth in paragraph(g)~~(h)~~,  
20 shall be utilized and distributed in the manner specified in  
21 s. 550.135(3) and (4). However, cardroom tax revenues shall  
22 be kept separate from pari-mutuel tax revenues and shall not  
23 be used for making the disbursement to counties provided in s.  
24 550.135(1).

25 (g)~~(h)~~ One-quarter of the moneys deposited into the  
26 Pari-mutuel Wagering Trust Fund pursuant to paragraph(f)~~(g)~~  
27 shall, by October 1 of each year, be distributed to counties  
28 in which the cardrooms are located; however, if two or more  
29 pari-mutuel racetracks are located within the same  
30 incorporated municipality, the cardroom funds shall be  
31 distributed to the municipality. If a pari-mutuel facility is

1 situated in such a manner that it is located in more than one  
2 county, the site of the cardroom facility shall determine the  
3 location for purposes of disbursement of tax revenues under  
4 this paragraph. The division shall, by September 1 of each  
5 year, determine: the amount of taxes deposited into the  
6 Pari-mutuel Wagering Trust Fund pursuant to this section from  
7 each cardroom licensee; the location by county of each  
8 cardroom; whether the cardroom is located in the  
9 unincorporated area of the county or within an incorporated  
10 municipality; and, the total amount to be distributed to each  
11 eligible county and municipality.

12 Section 2. This act shall take effect July 1, 1999.

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SENATE SUMMARY

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Authorizes pari-mutuel facilities to operate cardrooms at any time during which wagers are accepted by those facilities, regardless of whether they are conducting live pari-mutuel events. Decreases the maximum amount a player may bet in any one round, hand, or game from \$10 to \$2, except that a facility may conduct quarterly tournaments at which there is no limit. Authorizes facilities to award prizes to players. Abolishes the tax on admission to cardrooms. Increases, to 10 percent of the monthly gross receipts, the amount of cardroom proceeds which a permitholder must use to supplement greyhound or jai alai purses. Redefines the games that are eligible for play in a cardroom.