

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Prepared By: Government Efficiency Appropriations Committee

BILL: SB 2244

SPONSOR: Senator Fasano

SUBJECT: Cardrooms

DATE: April 12, 2005

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Sumner</u>	<u>Imhof</u>	<u>RI</u>	Favorable
2.	<u>Keating</u>	<u>Johansen</u>	<u>GE</u>	Favorable
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The bill amends s. 849.086 (7)(b), F.S., to eliminate the requirement that cardroom operations may only be conducted in conjunction with live pari-mutuel performances. It also eliminates this requirement for the cardroom that is located within 35 miles of a pari-mutuel permitholder where live racing of the same class of permit is being conducted.

This bill substantially amends s. 849.086, of the Florida Statutes.

II. Present Situation:

A cardroom may be operated only at a pari-mutuel facility that has a cardroom license issued by the Division of Pari-mutuel Wagering at the Department of Business and Professional Regulation (department) and only on days when the facility is authorized to accept wagers on pari-mutuel events. A cardroom may operate between the hours of 12 noon and 12 midnight on any day a pari-mutuel event is conducted live as a part of its authorized meet.¹

In addition, any permitholder who holds a valid cardroom license may operate a cardroom between the hours of 12 noon and 12 midnight on any day that live racing of the same class of permit is occurring within 35 miles of its facility, if no other holder of that same class of permit within 35 is operating a cardroom at such time and if all holders of the same class of permit within the 35 mile area have given written permission to the permitholder to operate the cardroom during the designated period.² (This section of the statute applies to the St. Johns Greyhound Park cardroom (a.k.a. Bayard greyhound track cardroom) in Jacksonville where no live racing takes place.)

¹ Section 849.086 (7)(b), F.S.

² *Id.*

Section 849.086(2)(c), F.S., 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. Authorized games and cardrooms do not constitute casino gaming operations.

Section 849.086(2)(a), F.S., defines “authorized game” at a cardroom as a game or series of games of poker which are played in a nonbanking manner. Authorized cardroom games or series of games of poker may not exceed a \$2 bet with a maximum of three raises in any round of betting.

A “banking game” is defined in s. 849.086(2)(b), F.S., as “a game in which the house is a participant in the game, taking on players, paying winners, and collecting from losers or in which the cardroom establishes a bank against which participants play.”

Section 849.086(13), F.S., provides that each cardroom operator shall pay a tax to the state of 10 percent of the cardroom operations’ monthly gross receipts. In addition, there is an annual cardroom license fee of \$1,000 for the first table and \$500 for each additional table operated at the cardroom. Total collections for fiscal year 2003-04 on the gross receipts of cardrooms was \$1.9 million while \$250,000 was collected in table license fees.

III. Effect of Proposed Changes:

The bill amends s. 849.086, F.S., to eliminate the requirement that cardroom operations may only be conducted in conjunction with live pari-mutuel performances. It also eliminates this requirement for the cardroom that is located within 35 miles of a pari-mutuel permitholder where live racing of the same class of permit is being conducted.

The bill shall take effect July 1, 2005.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

The Revenue Estimating Impact Conference has not analyzed this bill. According to the Department of Business and Professional Regulation, Division of Pari-mutuel Wagering, the bill could potentially increase revenue from the tax on the card operators' gross receipts by approximately \$550,000 depending on increases in operating days by cardroom operators.

B. Private Sector Impact:

Permitholders that operate cardrooms would likely realize an increase in cardroom revenue.

C. Government Sector Impact:

The department anticipates that existing personnel and resources will be adequate to cover any increase in workload.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
