

**The Florida Senate**  
**PROFESSIONAL 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: Finance and Tax Committee

BILL: SB 134

INTRODUCER: Senator Bullard

SUBJECT: Cardrooms

DATE: April 10, 2007

REVISED: \_\_\_\_\_

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

**I. Summary:**

The bill amends s. 849.086, F.S., to define and include dominoes in the list of authorized games permitted to be played at a cardroom.

This bill amends section 849.086 of the Florida Statutes.

**II. Present Situation:**

A cardroom may be operated only at the location specified on the cardroom license issued by the division and such location may be only where such permitholder is authorized to conduct pari-mutuel wagering activities subject to its pari-mutuel permit. 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 an “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.”

Up until 2003, an “authorized game” at a cardroom included “penny-ante games” as defined in s. 849.085, F.S., which includes a game or series of games of poker, pinochle, bridge, rummy, canasta, hearts, dominoes, or mah-jongg.<sup>1</sup>

Dominoes, along with poker, pinochle, bridge, rummy, canasta, hearts, and mah-jongg, is still allowed to be played in a penny ante game authorized under s. 849.085, F.S. This section authorizes penny ante games to be played in residential premises and certain common areas of community associations and college dormitories and recreational rooms. The winnings of a “penny-ante game” may never exceed more than \$10 for a single round, hand or game.

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. In addition, any permit holder 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 miles 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 permit holder to operate the cardroom during the designated period.<sup>2</sup>

The annual cardroom license fee for each facility is \$1,000 for the first table and \$500 for each additional table to be operated in the cardroom. Table license fee revenues are deposited into the Pari-mutuel Wagering Trust Fund. Each cardroom operator must pay a tax to the state of 10 percent of the cardroom operation’s monthly gross receipts. If a separate admission fee is charged for entry to the cardroom facility, then an admission tax equal to 15 percent of the admission charge for entrance to the licensee’s cardroom facility, or 10 cents, whichever is greater, is imposed on each person entering the cardroom. Payment of the gross receipts tax and the admission tax is paid to the Division of Pari-mutuel Wagering, with 50% being deposited into the Pari-mutuel Wagering Trust Fund and 50% being deposited into the General Revenue Fund. In addition, each cardroom employee must pay a \$50 occupational licensee fee and each cardroom business must pay a \$250 occupational license fee. State revenue collections from cardrooms for fiscal year 2005-06 totaled \$4,782,684 which consists of \$264,000 from table license fees, \$4,443,337 from gross receipts taxes, and \$75,347 in occupational license fees.<sup>3</sup>

### **III. Effect of Proposed Changes:**

The bill amends s. 849.086(2)(a), F.S., to include dominoes in the list of authorized games permitted to be played at a cardroom.

The bill amends s. 849.086(2)(c), F.S., to delete the word “card” from “authorized card game” in the definition of “cardroom”.

The bill amends s. 849.086(2)(e), F.S., to include dominoes and dominoes tables in the definition of cardroom distributor.

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<sup>1</sup> Section 849.085, F.S., was amended by ch. 2003-295, L.O.F., to eliminate the games of pinochle, bridge, rummy, canasta, hearts, dominoes, or mah-jongg.

<sup>2</sup> Section 849.086(7)(b), F.S.

<sup>3</sup> Division of Pari-mutuel Wagering, 2005-06 Annual Report

The bill creates paragraph (h) of subsection (2) of s. 849.086, F.S., to define “dominoes” to mean a game of dominoes typically played with a set of 28 flat rectangular blocks, called bones, which are marked on one side and divided into two equal parts, with zero to six dots, called pips, in each part. The term also included larger sets of blocks that contain a correspondingly higher number of pips. The term also means the set of blocks used to play the game.

The bill takes effect July 1, 2007.

#### **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 Conference states that there are questions about how the current rules regarding pot and round limits would be applied to dominoes, because there are many different games which can be played, and side betting is difficult to control. Since dominoes were previously permitted in the statute and were mainly a regional game played in Miami-Dade County, the conference stated that the impact is indeterminate, but likely to be insignificant.

B. Private Sector Impact:

The department stated that the addition of dominoes to cardrooms will provide additional wagering products that permitholders with cardroom operations may offer.

C. Government Sector Impact:

The department stated that additional cardroom activity from the play of dominoes will likely result in an increase in inspections and complaints. However, it is anticipated that any additional workload can be handled with existing personnel.

#### **VI. Technical Deficiencies:**

None.

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**VII. Related Issues:**

According to the department, the bill does not specifically outline the types of domino games intended to be included and how wagering will be conducted. Without such clarification, domino games may be conducted without clear and effective regulatory oversight. However, the law that authorized the playing of domino games that existed before the changes were made in 2003 also did not address the types of domino games that were authorized.

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

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## **VIII. Summary of Amendments:**

None.

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