

By the Committee on Regulated Industries; and Senator Geller

580-2046-07

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A bill to be entitled

An act relating to cardrooms; amending s.
849.086, F.S.; defining the term "high-stakes
poker"; authorizing cardroom operators to host
high-stakes poker tournaments at certain
pari-mutuel facilities; providing limitations;
providing additional rulemaking authority;
providing an effective date.

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

Section 1. Subsections (2) and (4) of section 849.086,
Florida Statutes, are amended, present subsections (9) through
(17) of that section are redesignated as subsections (10)
through (18), respectively, and a new subsection (9) is added
to that section, to read:

849.086 Cardrooms authorized.--

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

(a) "Authorized game" means a game or series of games
of poker which are played in a nonbanking manner.

(b) "Banking game" means 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.

(c) "Cardroom" means 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.

1 (d) "Cardroom management company" means any individual
2 not an employee of the cardroom operator, any proprietorship,
3 partnership, corporation, or other entity that enters into an
4 agreement with a cardroom operator to manage, operate, or
5 otherwise control the daily operation of a cardroom.

6 (e) "Cardroom distributor" means any business that
7 distributes cardroom paraphernalia such as card tables,
8 betting chips, chip holders, drop boxes, banking supplies,
9 playing cards, card shufflers, and other associated equipment
10 to authorized cardrooms.

11 (f) "Cardroom operator" means a licensed pari-mutuel
12 permitholder which holds a valid permit and license issued by
13 the division pursuant to chapter 550 and which also holds a
14 valid cardroom license issued by the division pursuant to this
15 section which authorizes such person to operate a cardroom and
16 to conduct authorized games in such cardroom.

17 (g) "Division" means the Division of Pari-mutuel
18 Wagering of the Department of Business and Professional
19 Regulation.

20 (h) "Gross receipts" means the total amount of money
21 received by a cardroom from any person for participation in
22 authorized games.

23 (i) "High-stakes poker" means a game of poker which is
24 played without limits on the amount wagered in any game or
25 series of games or without limits on the rounds of betting
26 established in this section.

27 ~~(j)(i)~~ "House" means the cardroom operator and all
28 employees of the cardroom operator.

29 ~~(k)(j)~~ "Net proceeds" means the total amount of gross
30 receipts received by a cardroom operator from cardroom
31 operations less direct operating expenses related to cardroom

1 operations, including labor costs, admission taxes only if a
2 separate admission fee is charged for entry to the cardroom
3 facility, gross receipts taxes imposed on cardroom operators
4 by this section, the annual cardroom license fees imposed by
5 this section on each table operated at a cardroom, and
6 reasonable promotional costs excluding officer and director
7 compensation, interest on capital debt, legal fees, real
8 estate taxes, bad debts, contributions or donations, or
9 overhead and depreciation expenses not directly related to the
10 operation of the cardrooms.

11 ~~(1)(k)~~ "Rake" means a set fee or percentage of the pot
12 assessed by a cardroom operator for providing the services of
13 a dealer, table, or location for playing the authorized game.

14 (4) AUTHORITY OF DIVISION.--The Division of
15 Pari-mutuel Wagering of the Department of Business and
16 Professional Regulation shall administer this section and
17 regulate the operation of cardrooms under this section and the
18 rules adopted pursuant thereto, and is hereby authorized to:

19 (a) 1. Adopt rules, including, but not limited to: the
20 issuance of cardroom and employee licenses for cardroom
21 operations; the operation of a cardroom; recordkeeping and
22 reporting requirements; and the collection of all fees and
23 taxes imposed by this section.

24 2. Adopt rules for the operation of high-stakes poker
25 tournaments, including, but not limited to, maximum buy-in
26 amounts, number of players, amount of betting units, and
27 payout scales.

28 (b) Conduct investigations and monitor the operation
29 of cardrooms and the playing of authorized games therein.

30 (c) Review the books, accounts, and records of any
31 current or former cardroom operator.

1 (d) Suspend or revoke any license or permit, after
2 hearing, for any violation of the provisions of this section
3 or the administrative rules adopted pursuant thereto.

4 (e) Take testimony, issue summons and subpoenas for
5 any witness, and issue subpoenas duces tecum in connection
6 with any matter within its jurisdiction.

7 (f) Monitor and ensure the proper collection of taxes
8 and fees imposed by this section. Permitholder internal
9 controls are mandated to ensure no compromise of state funds.
10 To that end, a roaming division auditor will monitor and
11 verify the cash flow and accounting of cardroom revenue for
12 any given operating day.

13 (9) HIGH-STAKES POKER TOURNAMENTS.--

14 (a) A cardroom operator may host a televised
15 high-stakes poker tournament twice each year for 1 week at a
16 pari-mutuel facility that is authorized to operate cardrooms
17 during the hours that the pari-mutuel facility is open to
18 conduct business. Such a tournament may be conducted only once
19 in any 6-month period.

20 (b) A high-stakes poker tournament shall consist of a
21 series of games played at multiple tables. Tournaments shall
22 be played only with tournament chips that shall be provided to
23 all participants in exchange for an entry fee and any
24 subsequent rebuys. All players shall receive an equal number
25 of tournament chips for their entry fee. Tournament chips
26 shall have no cash value and shall represent tournament points
27 only. There shall be no limitation on the number of tournament
28 chips that can be used for a bet except as determined by the
29 cardroom operator. Tournament chips may never be redeemed for
30 cash or any other thing of value. The entry fee for a
31 tournament shall be decided by the cardroom operator. The

1 distribution of prizes and cash awards shall be determined by
2 the cardroom operator before entry fees are accepted. For
3 purposes of tournament play only, gross receipts for the
4 tournament shall mean the total amount received by the
5 cardroom operator for all entry fees, player rebuys, and fees
6 for participation in tournaments, less the total amount paid
7 to the winners or other as prizes. The total number of players
8 that may enter the tournament shall be decided by the cardroom
9 operator.

10 Section 2. This act shall take effect July 1, 2007.

11
12 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
13 COMMITTEE SUBSTITUTE FOR
14 Senate Bill 216

15 The Committee Substitute deletes the definitions of dominoes
16 and high-stakes dominoes. It provides for rulemaking for
17 high-stakes poker tournaments. It provides that high-stakes
18 poker tournaments may be televised.

19 It provides that the high-stakes poker tournament consists of
20 a series of games played at multiple tables. Only tournament
21 chips, provided in exchange for an entry fee or any subsequent
22 rebuys, are allowed to be played. All players receive an
23 equal amount of chips. The chips represent points and there
24 is no limitation of the number of chips that can be used for a
25 bet except as determined by the cardroom operator. The chips
26 can never be exchanged for cash or anything of value. The
27 entry fee is determined by the cardroom operator as well as
28 the total number of players that may enter the tournament.
29 The distribution of prizes and cash awards is determined by
30 the cardroom operator before the entry fees are accepted.
31 Gross receipts, for purposes of the tournament, means the
total amount received by the cardroom operator for all entry
fees, player rebuys, and fees for participation in
tournaments, less the total amount paid to the winners or
others as prizes.