

Bill No. SB 752

Barcode 250096

CHAMBER ACTION

Senate

House

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The Committee on Regulated Industries (Geller) recommended the following amendment:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause

and insert:

Section 1. Subsections (2),(3),(4),(7),(8), and paragraph (c) of subsection (12) of section 849.086, Florida Statutes, are amended 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) "Authorized game facilitated by electronic equipment" means an authorized game that:

1. Is an electronic poker table that allows players to play a game electronically without a human dealer and that electronically shuffles, deals, pays pots, and otherwise conducts an authorized game; and

2. Uses gaming equipment that is certified by an

1 independent testing laboratory approved by the division as a  
2 mathematically random process with equal probability for each  
3 card.

4       ~~(c)(b)~~ "Banking game" means a game in which the house  
5 is a participant in the game, taking on players, paying  
6 winners, and collecting from losers or in which the cardroom  
7 establishes a bank against which participants play.

8       ~~(d)(c)~~ "Cardroom" means a facility where authorized  
9 card games are played for money or anything of value and to  
10 which the public is invited to participate in such games and  
11 charged a fee for participation by the operator of such  
12 facility. Authorized games and cardrooms do not constitute  
13 casino gaming operations.

14       ~~(e)(d)~~ "Cardroom management company" means any  
15 individual not an employee of the cardroom operator, any  
16 proprietorship, partnership, corporation, or other entity that  
17 enters into an agreement with a cardroom operator to manage,  
18 operate, or otherwise control the daily operation of a  
19 cardroom.

20       ~~(f)(e)~~ "Cardroom distributor" means any business that  
21 distributes cardroom paraphernalia such as card tables,  
22 betting chips, chip holders, drop boxes, banking supplies,  
23 playing cards, card shufflers, and other associated equipment  
24 to authorized cardrooms.

25       ~~(g)(f)~~ "Cardroom operator" means a licensed  
26 pari-mutuel permit holder which holds a valid permit and  
27 license issued by the division pursuant to chapter 550 and  
28 which also holds a valid cardroom license issued by the  
29 division pursuant to this section which authorizes such person  
30 to operate a cardroom and to conduct authorized games in such  
31 cardroom.

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1           ~~(h)(g)~~ "Division" means the Division of Pari-mutuel  
2 Wagering of the Department of Business and Professional  
3 Regulation.

4           ~~(i)(h)~~ "Gross receipts" means the total amount of  
5 money received by a cardroom from any person for participation  
6 in authorized games.

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

9           ~~(k)(j)~~ "Net proceeds" means the total amount of gross  
10 receipts received by a cardroom operator from cardroom  
11 operations less direct operating expenses related to cardroom  
12 operations, including labor costs, admission taxes only if a  
13 separate admission fee is charged for entry to the cardroom  
14 facility, gross receipts taxes imposed on cardroom operators  
15 by this section, the annual cardroom license fees imposed by  
16 this section on each table operated at a cardroom, and  
17 reasonable promotional costs excluding officer and director  
18 compensation, interest on capital debt, legal fees, real  
19 estate taxes, bad debts, contributions or donations, or  
20 overhead and depreciation expenses not directly related to the  
21 operation of the cardrooms.

22           ~~(l)(k)~~ "Rake" means a set fee or percentage of the pot  
23 assessed by a cardroom operator for providing the services of  
24 a dealer, table, or location for playing the authorized game.

25           ~~(m)~~ "Tournament" means a series of games with more  
26 than one betting round involving one or more tables, where the  
27 winners or others receive a prize or cash award.

28           (3) CARDROOM AUTHORIZED.--Notwithstanding any other  
29 provision of law, it is not a crime for a person to  
30 participate in an authorized game at a licensed cardroom or to  
31 operate a cardroom described in this section if such game and

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1 cardroom operation are conducted strictly in accordance with  
2 the provisions of this section. This section does not  
3 authorize video poker games or any other game or machine:

4 (a) That is not otherwise authorized under the law of  
5 this state; or

6 (b) As authorized in a licensed slot machine facility.

7 (4) AUTHORITY OF DIVISION.--The Division of  
8 Pari-mutuel Wagering of the Department of Business and  
9 Professional Regulation shall administer this section and  
10 regulate the operation of cardrooms under this section and the  
11 rules adopted pursuant thereto, and may ~~is hereby authorized~~  
12 ~~to:~~

13 (a) Adopt rules, including, but not limited to: the  
14 issuance of cardroom and employee licenses for cardroom  
15 operations; the operation of a cardroom; the procedures and  
16 operation of authorized games facilitated by electronic  
17 equipment; recordkeeping and reporting requirements; and the  
18 collection of all fees and taxes imposed by this section.

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

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

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

26 (e) Take testimony, issue summons and subpoenas for  
27 any witness, and issue subpoenas duces tecum in connection  
28 with any matter within its jurisdiction.

29 (f) Monitor and ensure the proper collection of taxes  
30 and fees imposed by this section. Permitholder internal  
31 controls are mandated to ensure no compromise of state funds.

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1 To that end, a roaming division auditor will monitor and  
2 verify the cash flow and accounting of cardroom revenue for  
3 any given operating day.

4 (g) Approve the independent testing laboratories that  
5 are authorized to certify the gaming equipment in authorized  
6 games facilitated by electronic equipment as a mathematically  
7 random process with equal probability for each card.

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

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

15 (b) A cardroom may be operated at the facility between  
16 the hours of 10 a.m. and 2 a.m. only on days when the facility  
17 is authorized to accept wagers on pari-mutuel events, except  
18 that counties may prescribe, by a majority vote of the county  
19 commissioners in the county where the facility is located,  
20 additional uniform hours of operation ~~during its authorized~~  
21 ~~meet. A cardroom may operate between the hours of 12 noon and~~  
22 ~~12 midnight on any day a pari-mutuel event is conducted live~~  
23 ~~as a part of its authorized meet. However, a permitholder who~~  
24 ~~holds a valid cardroom license may operate a cardroom between~~  
25 ~~the hours of 12 noon and 12 midnight on any day that live~~  
26 ~~racing of the same class of permit is occurring within 35~~  
27 ~~miles of its facility if no other holder of that same class of~~  
28 ~~permit within 35 miles is operating a cardroom at such time~~  
29 ~~and if all holders of the same class of permit within the~~  
30 ~~35-mile area have given their permission in writing to the~~  
31 ~~permitholder to operate the cardroom during the designated~~

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1 ~~period. Application to operate a cardroom under this paragraph~~  
2 ~~must be made to the division as part of the annual license~~  
3 ~~application.~~

4 (c) A cardroom operator must at all times employ and  
5 provide a nonplaying dealer, except for authorized games  
6 facilitated by electronic gaming equipment, for each table on  
7 that ~~which~~ authorized card games which traditionally utilize a  
8 dealer are conducted at the cardroom. Such dealers may not  
9 have any participatory interest in any game other than the  
10 dealing of cards and may not have an interest in the outcome  
11 of the game. The providing of such dealers by a licensee shall  
12 not be construed as constituting the conducting of a banking  
13 game by the cardroom operator.

14 (d) A cardroom operator may award giveaways, jackpots,  
15 and prizes to a player or players who hold certain  
16 combinations of cards specified by the cardroom operator.

17 (e)~~(d)~~ Each cardroom operator shall conspicuously post  
18 upon the premises of the cardroom a notice which contains a  
19 copy of the cardroom license; a list of authorized games  
20 offered by the cardroom; the wagering limits imposed by the  
21 house, if any; any additional house rules regarding operation  
22 of the cardroom or the playing of any game; and all costs to  
23 players to participate, including any rake by the house. In  
24 addition, each cardroom operator shall post at each table a  
25 notice of the minimum and maximum bets authorized at such  
26 table and the fee for participation in the game conducted.

27 (f)~~(e)~~ The cardroom facility shall be subject to  
28 inspection by the division or any law enforcement agency  
29 during the licensee's regular business hours. The inspection  
30 will specifically encompass the permitholder internal control  
31 procedures approved by the division.

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

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

8           (a) No wagering may be conducted using money or other  
9 negotiable currency. Games may only be played using ~~utilizing~~  
10 a wagering system whereby all players' money is first  
11 converted by the house to tokens or chips which shall be used  
12 for wagering only at that specific cardroom.

13           (b) The cardroom operator may limit the amount wagered  
14 in any game or series of games, but the maximum bet may not  
15 exceed \$10 ~~\$2~~ in value. There may not be more than three  
16 raises in any round of betting. The fee charged by the  
17 cardroom for participation in the game shall not be included  
18 in the calculation of the limitation on the bet amount  
19 provided in this paragraph.

20           (c) A tournament shall consist of a series of games.  
21 The entry fee for a tournament, including any re-buys, may not  
22 exceed the maximum amount that could be wagered by a  
23 participant in 10 like-kind, nontournament games under  
24 paragraph (b). Tournaments must be played only with tournament  
25 chips that are provided to all participants in exchange for an  
26 entry fee and any subsequent re-buys. All players must receive  
27 an equal number of tournament chips for their entry fee.  
28 Tournament chips have no cash value and represent tournament  
29 points only. There is no limitation on the number of  
30 tournament chips that may be used for a bet except as  
31 otherwise determined by the cardroom operator. Tournament

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1 chips may never be redeemed for cash or for any other thing of  
2 value. The distribution of prizes and cash awards is  
3 determined by the cardroom operator before entry fees are  
4 accepted.

5 (d) For purposes of tournament play only, the term  
6 "gross receipts for the tournament" means the total amount  
7 received by the cardroom operator for all entry fees, player  
8 re-buys, and fees for participation in the tournament less the  
9 total amount paid to the winners or others as prizes.

10 (12) PROHIBITED ACTIVITIES.--

11 (c) No electronic or mechanical devices, except  
12 mechanical card shufflers or certified electronic gaming  
13 equipment facilitating authorized games, may be used to  
14 conduct any authorized game in a cardroom.

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

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18 ===== T I T L E A M E N D M E N T =====

19 And the title is amended as follows:

20 Delete everything before the enacting clause

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22 and insert:

23 A bill to be entitled  
24 An act relating to cardrooms; amending s.  
25 849.086, F.S.; defining the term "authorized  
26 game facilitated by electronic equipment";  
27 defining the term "tournament"; providing that  
28 a provision making certain activities  
29 concerning games a crime does not authorize  
30 certain games or machines; authorizing  
31 rulemaking by the Division of Pari-mutuel

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1           Wagering of the Department of Business and  
2           Professional Regulation concerning authorized  
3           games facilitated by electronic equipment;  
4           authorizing the division to approve  
5           laboratories that may certify that gaming  
6           equipment in authorized games facilitated by  
7           electronic equipment meets specified criteria;  
8           revising the period during which a cardroom may  
9           operate; clarifying awards that a cardroom may  
10          give to certain players; authorizing  
11          tournaments; providing that tournaments must be  
12          played only with tournament chips; requiring  
13          that all players receive an equal number of  
14          tournament chips for the entry fee; specifying  
15          that tournament chips have no cash value and  
16          represent tournament points only; providing  
17          that tournament chips may not be redeemed for  
18          cash or any other thing of value; providing  
19          that the distribution of prizes and cash awards  
20          is determined by the cardroom operator before  
21          entry fees are accepted; providing that only  
22          certain electronic equipment may be used to  
23          conduct an authorized game in a cardroom;  
24          providing an effective date.

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