

Bill No. CS for SB 752

Barcode 804764

CHAMBER ACTION

Senate

House

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The Committee on Finance and Tax (Haridopolos) recommended the following amendment:

Senate Amendment (with title amendment)

Delete everything after the enacting clause

and insert:

Section 1. Subsections (2), (3), (4), (7), and (8), paragraph (c) of subsection (12), and paragraphs (c) and (h) of subsection (13) 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

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1 2. Uses gaming equipment that is certified by an
 2 independent testing laboratory approved by the division as a
 3 mathematically random process with equal probability for each
 4 card.

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

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

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

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

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

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1 cardroom.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 (f) Monitor and ensure the proper collection of taxes
31 and fees imposed by this section. Permitholder internal

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1 controls are mandated to ensure no compromise of state funds.
2 To that end, a roaming division auditor will monitor and
3 verify the cash flow and accounting of cardroom revenue for
4 any given operating day.

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

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

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

16 (b) A cardroom may be operated at the facility between
17 the hours of 10 a.m. and 2 a.m. only on days when the facility
18 is authorized to accept wagers on pari-mutuel events except
19 that the hours of operation may be extended by majority vote
20 of the governing body of the municipality where the facility
21 is located or the governing body of the county if the facility
22 is not located in a municipality during its authorized meet. A

23 ~~cardroom may operate between the hours of 12 noon and 12~~
24 ~~midnight on any day a pari-mutuel event is conducted live as a~~
25 ~~part of its authorized meet. However, a permitholder who holds~~
26 ~~a valid cardroom license may operate a cardroom between the~~
27 ~~hours of 12 noon and 12 midnight on any day that live racing~~
28 ~~of the same class of permit is occurring within 35 miles of~~
29 ~~its facility if no other holder of that same class of permit~~
30 ~~within 35 miles is operating a cardroom at such time and if~~
31 ~~all holders of the same class of permit within the 35-mile~~

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1 ~~area have given their permission in writing to the~~
2 ~~permitholder to operate the cardroom during the designated~~
3 ~~period. Application to operate a cardroom under this paragraph~~
4 ~~must be made to the division as part of the annual license~~
5 ~~application.~~

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

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

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

29 (f)(e) The cardroom facility shall be subject to
30 inspection by the division or any law enforcement agency
31 during the licensee's regular business hours. The inspection

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1 will specifically encompass the permitholder internal control
2 procedures approved by the division.

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

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

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

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

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

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1 tournament chips that may be used for a bet except as
 2 otherwise determined by the cardroom operator. Tournament
 3 chips may never be redeemed for cash or for any other thing of
 4 value. The distribution of prizes and cash awards is
 5 determined by the cardroom operator before entry fees are
 6 accepted.

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

12 (12) PROHIBITED ACTIVITIES.--

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

17 (13) TAXES AND OTHER PAYMENTS.--

18 (c) Payment of the admission tax and gross receipts
 19 tax imposed by this section shall be paid to the division. The
 20 division shall deposit these sums with the Chief Financial
 21 Officer, ~~one-half being credited to the Pari-mutuel Wagering~~
 22 ~~Trust Fund and one-half being credited to the General Revenue~~
 23 ~~Fund.~~ The cardroom licensee shall remit to the division
 24 payment for the admission tax, the gross receipts tax, and the
 25 licensee fees. Such payments shall be remitted to the division
 26 on the fifth day of each calendar month for taxes and fees
 27 imposed for the preceding month's cardroom activities.

28 Licensees shall file a report under oath by the fifth day of
 29 each calendar month for all taxes remitted during the
 30 preceding calendar month. Such report shall, under oath,
 31 indicate the total of all admissions, the cardroom activities

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1 for the preceding calendar month, and such other information
2 as may be prescribed by the division.

3 (h)1. One-sixteenth ~~One-quarter~~ of the moneys
4 deposited into the Pari-mutuel Wagering Trust Fund pursuant to
5 paragraph (g) shall, by October 1 of each year, be distributed
6 to counties in which the cardrooms are located; however, if
7 two or more pari-mutuel racetracks are located within the same
8 incorporated municipality, the cardroom funds shall be
9 distributed to the municipality. If a pari-mutuel facility is
10 situated in such a manner that it is located in more than one
11 county, the site of the cardroom facility shall determine the
12 location for purposes of disbursement of tax revenues under
13 this paragraph. The division shall, by September 1 of each
14 year, determine: the amount of taxes deposited into the
15 Pari-mutuel Wagering Trust Fund pursuant to this section from
16 each cardroom licensee; the location by county of each
17 cardroom; whether the cardroom is located in the
18 unincorporated area of the county or within an incorporated
19 municipality; and, the total amount to be distributed to each
20 eligible county and municipality.

21 2. One half of the moneys deposited into the
22 Pari-mutuel Wagering Trust Fund pursuant to paragraph (g)
23 shall be transferred to the Grants and Donations Trust Fund
24 established by s. 215.32(2)(d) on or before October 1 of each
25 year for the purpose of funding programs established by the
26 Transition Service Integration Model Project Grant Program.

27 Section 2. Transition Service Integration Model
28 Project Grant Program.--

29 (1) The Transition Service Integration Model Project
30 Grant Program is established within the Department of
31 Education to provide startup grants to offset the cost of

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1 formal service agreements between district school boards and
 2 not-for-profit employment services providers for the purpose
 3 of providing a seamless transition, through customized
 4 employment, for students with severe disabilities who are
 5 eligible for developmental disability services. The program
 6 shall assist students in moving from school to integrated
 7 direct-hire employment and postsecondary education and shall
 8 provide inclusive access to a wide range of preferred
 9 community activities and settings.

10 (2) As used in this section, the term "developmental
 11 disability" has the same meaning as in s. 393.063(9), Florida
 12 Statutes.

13 (3) In addition, the project shall fund staff
 14 development required to support the project and a third-party
 15 evaluation of results for the duration of the project. The
 16 Bureau of Exceptional Education and Student Services shall
 17 administer the grants. The Division of Vocational
 18 Rehabilitation and the Agency for Persons with Disabilities
 19 shall provide leadership to their field offices in support of
 20 collaborative efforts with local school districts and provide
 21 training in the area of customized employment.

22 (4) A school district may apply to the Bureau of
 23 Exceptional Education and Student Services for a grant. Grants
 24 must be provided through a competitive process and may be used
 25 only for contractual agreements between district school boards
 26 and employment services providers to provide customized
 27 employment for the student population described in subsection
 28 (1).

29 (5) To be eligible for funding, applicants must use
 30 the Transition Service Integration Model. Specifically,
 31 applicants must:

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1 (a) Create programs that are designed to provide for
 2 the seamless transition of the student population from school
 3 to integrated direct-hire employment and postsecondary
 4 education and provide inclusive access to a wide range of
 5 preferred community activities and settings;

6 (b) Enter into a formal service arrangement with a
 7 not-for-profit agency that agrees to work with pending
 8 graduates before and after graduation and that is used as a
 9 provider by both the rehabilitation and developmental
 10 disability systems;

11 (c) Dedicate staff members to share responsibility for
 12 developing preferred work-related and outside activities for
 13 their pending graduates with the not-for-profit agency;

14 (d) Demonstrate partnerships and collaborative
 15 relationships with the rehabilitation system, the
 16 developmental disability system, postsecondary institutions,
 17 families, advocacy groups of the student population, and local
 18 workforce One-Stops;

19 (e) Specify locations outside high school campuses at
 20 which the program will be housed and determine how instruction
 21 will take place in natural community settings in which the
 22 skills being acquired are functional;

23 (f) Ensure representation from a student with a
 24 disability and a family member of a student with a disability
 25 in program planning;

26 (g) Commit to customized employment and training in
 27 the Transition Service Integration Model for staff members of
 28 the district, the nonprofit agency, the rehabilitation system,
 29 and the developmental disability system;

30 (h) Specify measurable goals and objectives; and

31 (i) Submit to a third-party evaluation for the

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1 duration of the project.

2 (5) Applicants must specify how they will sustain and
3 expand the program after the grant period has ended.

4 (6) Each grant shall be implemented to the extent
5 funded over a period of 4 years. The program shall be directed
6 towards approximately 200 students each year in no more than
7 10 district pilot sites.

8 (7) From funds allocated pursuant to s.
9 849.086(13)(h)2., the Bureau of Contract Grants and
10 Procurement shall annually distribute half of these funds to
11 providers who specialize in the postsecondary vocational
12 training of at-risk students and students with disabilities.
13 In order to qualify for these funds, a provider must be
14 licensed and have a demonstrated ability to:

15 (a) Provide postsecondary vocational training programs
16 for male and female juveniles placed in a residential
17 commitment facility designated by the Department of Juvenile
18 Justice; and

19 (b) Provide vocational training to juveniles in a
20 program certified pursuant to s. 985.19.

21
22 Any provider must be able to provide participating juveniles
23 with occupational completion points.

24 Section 3. For the 2007-2008 fiscal year, seven
25 full-time equivalent positions and 240,542 in associated
26 salary rate are authorized, and the sums of \$401,743 in
27 recurring funds and \$92,589 in nonrecurring funds from the
28 Pari-mutuel Wagering Trust Fund of the Department of Business
29 and Professional Regulation are hereby appropriated for the
30 purpose of carrying out activities related to this act.

31 Section 4. If any provision of this act or its

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1 application to any individual or circumstance is held invalid,
 2 the invalidity does not affect other provisions or
 3 applications of this act which can be given effect without the
 4 invalid provision or application, and to this end the
 5 provisions of this act are severable.

6 Section 5. This act shall take effect July 1, 2007.

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

10 And the title is amended as follows:

11 Delete everything before the enacting clause

12

13 and insert:

14 A bill to be entitled

15 An act relating to cardrooms; amending s.
 16 849.086, F.S.; defining the terms "authorized
 17 game facilitated by electronic equipment" and
 18 "tournament"; providing that a provision making
 19 certain activities concerning games a crime
 20 does not authorize certain games or machines;
 21 authorizing rulemaking by the Division of
 22 Pari-mutuel Wagering of the Department of
 23 Business and Professional Regulation concerning
 24 authorized games facilitated by electronic
 25 equipment; authorizing the division to approve
 26 laboratories that may certify that gaming
 27 equipment in authorized games facilitated by
 28 electronic equipment meets specified criteria;
 29 revising the period during which a cardroom may
 30 operate; clarifying awards that a cardroom may
 31 give to certain players; authorizing

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1 tournaments; providing that tournaments must be
2 played only with tournament chips; requiring
3 that all players receive an equal number of
4 tournament chips for the entry fee; specifying
5 that tournament chips have no cash value and
6 represent tournament points only; providing
7 that tournament chips may not be redeemed for
8 cash or any other thing of value; providing
9 that the distribution of prizes and cash awards
10 is determined by the cardroom operator before
11 entry fees are accepted; providing that only
12 certain electronic equipment may be used to
13 conduct an authorized game in a cardroom;
14 deleting a provision providing for an
15 apportionment of moneys received from admission
16 tax and gross receipts tax between the
17 Pari-mutuel Wagering Trust Fund and the General
18 Revenue Fund; revising the portion of moneys
19 deposited into the Pari-mutuel Wagering Trust
20 Fund which is subsequently distributed to
21 counties in which cardrooms are located;
22 requiring that one-half of the moneys deposited
23 into the Pari-mutuel Wagering Trust Fund be
24 transferred to the Grants and Donations Trust
25 Fund before a specified deadline for the
26 purpose of funding programs established by the
27 Transition Service Integration Model Grant
28 Program; establishing the Transition Service
29 Integration Model Project Grant Program within
30 the Department of Education; providing purposes
31 of the program; specifying the type of student

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1 for whom the program is intended; defining the
 2 term "developmental disability"; providing for
 3 the administration of grants; requiring the
 4 project to fund staff development and an
 5 ongoing third-party evaluation of results;
 6 requiring that the Division of Vocational
 7 Rehabilitation and the Agency for Persons with
 8 Disabilities provide support to the program;
 9 requiring that grants be awarded through a
 10 competitive process; limiting the use of grants
 11 to certain contractual agreements; requiring
 12 that all applicants use the Transition Service
 13 Integration Model; providing requirements for
 14 eligibility for a grant; requiring that
 15 applicants provide a statement of how they plan
 16 to sustain or expand the program after the end
 17 of the grant period; specifying a grant period;
 18 specifying an approximate number of students to
 19 participate in the program; specifying a number
 20 of district pilot sites that will participate
 21 in the program; providing an effective date.

22
 23 WHEREAS, cardroom operations of pari-mutuel facilities
 24 offer an opportunity to the State of Florida to raise
 25 much-needed revenues for underserved program areas, and

26 WHEREAS, vocational education is a component that is
 27 critical to providing an adequate and effective workforce in
 28 this state, and

29 WHEREAS, persons with disabilities represent a portion
 30 of our population whose employment horizons are not being
 31 maximized under current programs, and

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1 WHEREAS, revenues raised from cardroom operations at
2 pari-mutuel facilities can provide the source of funding
3 needed for new programs to assist persons with disabilities
4 and provide at-risk juveniles with an opportunity for training
5 and vocational education so that they may become productive
6 members of Florida's workforce, NOW, THEREFORE,

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