

By the Committee on Regulated Industries; and Senator Geller

580-2341-07

1 | A bill to be entitled
2 | An act relating to cardrooms; amending s.
3 | 849.086, F.S.; defining the terms "authorized
4 | game facilitated by electronic equipment" and
5 | "tournament"; providing that a provision making
6 | certain activities concerning games a crime
7 | does not authorize certain games or machines;
8 | authorizing rulemaking by the Division of
9 | Pari-mutuel Wagering of the Department of
10 | Business and Professional Regulation concerning
11 | authorized games facilitated by electronic
12 | equipment; authorizing the division to approve
13 | laboratories that may certify that gaming
14 | equipment in authorized games facilitated by
15 | electronic equipment meets specified criteria;
16 | revising the period during which a cardroom may
17 | operate; clarifying awards that a cardroom may
18 | give to certain players; authorizing
19 | tournaments; providing that tournaments must be
20 | played only with tournament chips; requiring
21 | that all players receive an equal number of
22 | tournament chips for the entry fee; specifying
23 | that tournament chips have no cash value and
24 | represent tournament points only; providing
25 | that tournament chips may not be redeemed for
26 | cash or any other thing of value; providing
27 | that the distribution of prizes and cash awards
28 | is determined by the cardroom operator before
29 | entry fees are accepted; providing that only
30 | certain electronic equipment may be used to
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1 conduct an authorized game in a cardroom;
2 providing an effective date.

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

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6 Section 1. Subsections (2), (3), (4), (7), and (8),
7 and paragraph (c) of subsection (12) of section 849.086,
8 Florida Statutes, are amended to read:

9 849.086 Cardrooms authorized.--

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

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

13 **(b) "Authorized game facilitated by electronic**
14 **equipment" means an authorized game that:**

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

19 **2. Uses gaming equipment that is certified by an**
20 **independent testing laboratory approved by the division as a**
21 **mathematically random process with equal probability for each**
22 **card.**

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

27 ~~(d)(e)~~ "Cardroom" means a facility where authorized
28 card games are played for money or anything of value and to
29 which the public is invited to participate in such games and
30 charged a fee for participation by the operator of such
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1 facility. Authorized games and cardrooms do not constitute
2 casino gaming operations.

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

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

14 ~~(g)(f)~~ "Cardroom operator" means a licensed
15 pari-mutuel permit holder which holds a valid permit and
16 license issued by the division pursuant to chapter 550 and
17 which also holds a valid cardroom license issued by the
18 division pursuant to this section which authorizes such person
19 to operate a cardroom and to conduct authorized games in such
20 cardroom.

21 ~~(h)(g)~~ "Division" means the Division of Pari-mutuel
22 Wagering of the Department of Business and Professional
23 Regulation.

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

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

17 (3) CARDROOM AUTHORIZED.--Notwithstanding any other
18 provision of law, it is not a crime for a person to
19 participate in an authorized game at a licensed cardroom or to
20 operate a cardroom described in this section if such game and
21 cardroom operation are conducted strictly in accordance with
22 the provisions of this section. This section does not
23 authorize video poker games or any other game or machine:

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

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

27 (4) AUTHORITY OF DIVISION.--The Division of
28 Pari-mutuel Wagering of the Department of Business and
29 Professional Regulation shall administer this section and
30 regulate the operation of cardrooms under this section and the
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1 rules adopted pursuant thereto, and ~~may is hereby authorized~~
2 ~~to~~:

3 (a) Adopt rules, including, but not limited to: the
4 issuance of cardroom and employee licenses for cardroom
5 operations; the operation of a cardroom; the procedures and
6 operation of authorized games facilitated by electronic
7 equipment; recordkeeping and reporting requirements; and the
8 collection of all fees and taxes imposed by this section.

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

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

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

16 (e) Take testimony, issue summons and subpoenas for
17 any witness, and issue subpoenas duces tecum in connection
18 with any matter within its jurisdiction.

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

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

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

30 (a) A cardroom may be operated only at the location
31 specified on the cardroom license issued by the division, and

1 such location may only be the location at which the
2 pari-mutuel permitholder is authorized to conduct pari-mutuel
3 wagering activities pursuant to such permitholder's valid
4 pari-mutuel permit or as otherwise authorized by law.

5 (b) A cardroom may be operated at the facility between
6 the hours of 10 a.m. and 2 a.m. only on days when the facility
7 is authorized to accept wagers on pari-mutuel events except
8 that the hours of operation may be extended by majority vote
9 of the governing body of the municipality where the facility
10 is located or the governing body of the county if the facility
11 is not located in a municipality during its authorized meet. A
12 ~~cardroom may operate between the hours of 12 noon and 12~~
13 ~~midnight on any day a pari mutuel event is conducted live as a~~
14 ~~part of its authorized meet. However, a permitholder who holds~~
15 ~~a valid cardroom license may operate a cardroom between the~~
16 ~~hours of 12 noon and 12 midnight on any day that live racing~~
17 ~~of the same class of permit is occurring within 35 miles of~~
18 ~~its facility if no other holder of that same class of permit~~
19 ~~within 35 miles is operating a cardroom at such time and if~~
20 ~~all holders of the same class of permit within the 35 mile~~
21 ~~area have given their permission in writing to the~~
22 ~~permitholder to operate the cardroom during the designated~~
23 ~~period. Application to operate a cardroom under this paragraph~~
24 ~~must be made to the division as part of the annual license~~
25 ~~application.~~

26 (c) A cardroom operator must at all times employ and
27 provide a nonplaying dealer, except for authorized games
28 facilitated by electronic gaming equipment, for each table on
29 which authorized card games which traditionally utilize a
30 dealer are conducted at the cardroom. Such dealers may not
31 have any participatory interest in any game other than the

1 dealing of cards and may not have an interest in the outcome
2 of the game. The providing of such dealers by a licensee shall
3 not be construed as constituting the conducting of a banking
4 game by the cardroom operator.

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

8 ~~(e)(d)~~ Each cardroom operator shall conspicuously post
9 upon the premises of the cardroom a notice which contains a
10 copy of the cardroom license; a list of authorized games
11 offered by the cardroom; the wagering limits imposed by the
12 house, if any; any additional house rules regarding operation
13 of the cardroom or the playing of any game; and all costs to
14 players to participate, including any rake by the house. In
15 addition, each cardroom operator shall post at each table a
16 notice of the minimum and maximum bets authorized at such
17 table and the fee for participation in the game conducted.

18 ~~(f)(e)~~ The cardroom facility shall be subject to
19 inspection by the division or any law enforcement agency
20 during the licensee's regular business hours. The inspection
21 will specifically encompass the permitholder internal control
22 procedures approved by the division.

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

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

30 (a) No wagering may be conducted using money or other
31 negotiable currency. Games may only be played utilizing a

1 wagering system whereby all players' money is first converted
2 by the house to tokens or chips which shall be used for
3 wagering only at that specific cardroom.

4 (b) The cardroom operator may limit the amount wagered
5 in any game or series of games, but the maximum bet may not
6 exceed~~\$10~~^{\$2} in value. There may not be more than three
7 raises in any round of betting. The fee charged by the
8 cardroom for participation in the game shall not be included
9 in the calculation of the limitation on the bet amount
10 provided in this paragraph.

11 (c) A tournament shall consist of a series of games.
12 The entry fee for a tournament, including any re-buys, may not
13 exceed the maximum amount that could be wagered by a
14 participant in 10 like-kind, nontournament games under
15 paragraph (b). Tournaments must be played only with tournament
16 chips that are provided to all participants in exchange for an
17 entry fee and any subsequent re-buys. All players must receive
18 an equal number of tournament chips for their entry fee.
19 Tournament chips have no cash value and represent tournament
20 points only. There is no limitation on the number of
21 tournament chips that may be used for a bet except as
22 otherwise determined by the cardroom operator. Tournament
23 chips may never be redeemed for cash or for any other thing of
24 value. The distribution of prizes and cash awards is
25 determined by the cardroom operator before entry fees are
26 accepted.

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

1 (12) PROHIBITED ACTIVITIES.--

2 (c) No electronic or mechanical devices, except
3 mechanical card shufflers or certified electronic gaming
4 equipment facilitating authorized games, may be used to
5 conduct any authorized game in a cardroom.

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

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8 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
9 COMMITTEE SUBSTITUTE FOR
10 Senate Bill 752

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11 The committee substitute authorizes electronic poker takes
12 that are facilitated by electronic equipment.

13 It defines and authorizes poker tournaments under specific
14 conditions.

15 It authorizes the division to approve laboratories that
16 certify gaming equipment in authorized games facilitated by
17 electronic equipment meets specified criteria.

18 It changes the hours of operation from between 10:00 A.M. and
19 2:00 A.M. and allows local government to extend the hours by
20 majority vote.

21 It changes the maximum bet from \$2 to \$10.

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