

By the Committees on General Government Appropriations;  
Finance and Tax; Regulated Industries; and Senators Geller and  
Fasano

601-2651-07

1                                   A bill to be entitled  
2           An act relating to cardrooms; amending s.  
3           849.086, F.S.; defining the term "tournament";  
4           clarifying that provisions authorizing  
5           cardrooms do not authorize video poker or  
6           certain other games or machines; revising  
7           license fees; revising hours of operation;  
8           authorizing the award of certain prizes;  
9           revising betting limits; authorizing  
10          tournaments; providing tournament requirements;  
11          providing an appropriation and authorizing  
12          additional positions; providing an effective  
13          date.

14  
15 Be It Enacted by the Legislature of the State of Florida:

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17           Section 1. Paragraph (1) is added to subsection (2) of  
18          section 849.086, Florida Statutes, and subsections (3) and  
19          (4), paragraph (d) of subsection (5), subsections (7) and (8),  
20          paragraph (h) of subsection (13), and subsection (16) of that  
21          section are amended, to read:

22           849.086 Cardrooms authorized.--

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

24           (1) "Tournament" means a series of games that have  
25 more than one betting round involving one or more tables and  
26 where the winners or others receive a prize or cash award.

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

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1 the provisions of this section. This section does not  
2 authorize video poker games or any other game or machine that  
3 is not authorized by state law or that is authorized at a slot  
4 machine facility licensed under chapter 551.

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

11 (a) Adopt rules, including, but not limited to: the  
12 issuance of cardroom and employee licenses for cardroom  
13 operations; the operation of a cardroom; recordkeeping and  
14 reporting requirements; and the collection of all fees and  
15 taxes imposed by this section.

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

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

20 (d) Suspend or revoke any license or permit, after  
21 hearing, for any violation of the provisions of this section  
22 or adopted ~~the administrative rules adopted pursuant thereto~~.

23 (e) Take testimony, issue summons and subpoenas for  
24 any witness, and issue subpoenas duces tecum in connection  
25 with any matter within its jurisdiction.

26 (f) Monitor and ensure the proper collection of taxes  
27 and fees imposed by this section. Permitholder internal  
28 controls are mandated to ensure that there is no compromise of  
29 state funds. To that end, a roaming division auditor shall  
30 ~~will~~ monitor and verify the cash flow and accounting of  
31 cardroom revenue on for any given operating day.

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1 (5) LICENSE REQUIRED; APPLICATION; FEES.--No person  
2 may operate a cardroom in this state unless such person holds  
3 a valid cardroom license issued pursuant to this section.

4 (d) The annual cardroom license fee for each facility  
5 shall be \$1,000 for ~~the first table and \$500 for each~~  
6 ~~additional table to be operated at the cardroom. The This~~  
7 license fee shall be deposited by the division with the Chief  
8 Financial Officer to the credit of the Pari-mutuel Wagering  
9 Trust Fund.

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

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

17 (b) Any horserace, greyhound, or jai alai permitholder  
18 licensed under this chapter may operate a cardroom at its  
19 pari-mutuel facility between the hours of 10 a.m. and 2 a.m.  
20 if the permitholder meets the requirements of paragraph  
21 (5)(b). The hours of operation may be extended by majority  
22 vote of the governing body of the municipality where the  
23 facility is located or the governing body of the county if the  
24 facility is not located in a municipality. A permitholder may  
25 amend the license issued to the permitholder within 60 days  
26 after July 1, 2007. A cardroom may be operated at the facility  
27 only when the facility is authorized to accept wagers on  
28 pari mutuel events during its authorized meet. A cardroom may  
29 operate between the hours of 12 noon and 12 midnight on any  
30 day a pari mutuel event is conducted live as a part of its  
31 authorized meet. However, a permitholder who holds a valid

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1 ~~cardroom license may operate a cardroom between the hours of~~  
 2 ~~12 noon and 12 midnight on any day that live racing of the~~  
 3 ~~same class of permit is occurring within 35 miles of its~~  
 4 ~~facility if no other holder of that same class of permit~~  
 5 ~~within 35 miles is operating a cardroom at such time and if~~  
 6 ~~all holders of the same class of permit within the 35 mile~~  
 7 ~~area have given their permission in writing to the~~  
 8 ~~permitholder to operate the cardroom during the designated~~  
 9 ~~period. Application to operate a cardroom under this paragraph~~  
 10 ~~must be made to the division as part of the annual license~~  
 11 ~~application.~~

12 (c) A cardroom operator must at all times employ and  
 13 provide a nonplaying dealer for each table on which authorized  
 14 card games which traditionally use ~~utilize~~ a dealer are  
 15 conducted at the cardroom. Such dealers may not have a ~~any~~  
 16 participatory interest in any game other than the dealing of  
 17 cards and may not have an interest in the outcome of the game.  
 18 The providing of such dealers by a licensee does ~~shall~~ not  
 19 constitute ~~be construed as constituting~~ the conducting of a  
 20 banking game by the cardroom operator.

21 (d) A cardroom operator may award giveaways, jackpots,  
 22 and prizes to a player who holds certain combinations of cards  
 23 specified by the cardroom operator.

24 (e)~~(d)~~ Each cardroom operator shall conspicuously post  
 25 upon the premises of the cardroom a notice which contains a  
 26 copy of the cardroom license; a list of authorized games  
 27 offered by the cardroom; the wagering limits imposed by the  
 28 house, if any; any additional house rules regarding operation  
 29 of the cardroom or the playing of any game; and all costs to  
 30 players to participate, including any rake by the house. In  
 31 addition, each cardroom operator shall post at each table a

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1 notice of the minimum and maximum bets authorized at such  
2 table and the fee for participation in the game conducted.

3 ~~(f)(e)~~ The cardroom facility is ~~shall be~~ subject to  
4 inspection by the division or any law enforcement agency  
5 during the licensee's regular business hours. The inspection  
6 ~~must will~~ specifically include ~~encompass~~ the permit holder  
7 internal control procedures approved by the division.

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

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

15 (a) ~~No~~ Wagering may not be conducted using money or  
16 other negotiable currency. Games may only be played using  
17 ~~utilizing~~ a wagering system where ~~whereby~~ all players' money  
18 is ~~first~~ converted by the house to tokens or chips that may  
19 ~~which shall~~ be used only for wagering ~~only~~ at that specific  
20 cardroom.

21 (b) The cardroom operator may limit the amount wagered  
22 in any game or series of games, but the maximum bet may not  
23 exceed ~~\$10~~\$2 in value. There may not be more than three  
24 raises in any round of betting. The fee charged by the  
25 cardroom for participation in the game may ~~shall~~ not be  
26 included in the calculation of the limitation on the bet  
27 amount provided in this paragraph. However, a cardroom  
28 operator may conduct games of Texas Hold-em without a betting  
29 limit if the required player buy-in is no more than \$100.

30 (c) A tournament shall consist of a series of games.  
31 The entry fee for a tournament, including any re-buys, may not

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1 exceed the maximum amount that could be wagered by a  
 2 participant in 10 like-kind, nontournament games under  
 3 paragraph (b). Tournaments may be played only with tournament  
 4 chips that are provided to all participants in exchange for an  
 5 entry fee and any subsequent re-buys. All players must receive  
 6 an equal number of tournament chips for their entry fee.  
 7 Tournament chips have no cash value and represent tournament  
 8 points only. There is no limitation on the number of  
 9 tournament chips that may be used for a bet except as  
 10 otherwise determined by the cardroom operator. Tournament  
 11 chips may never be redeemed for cash or for any other thing of  
 12 value. The distribution of prizes and cash awards must be  
 13 determined by the cardroom operator before entry fees are  
 14 accepted. For purposes of tournament play only, the term  
 15 "gross receipts" means the total amount received by the  
 16 cardroom operator for all entry fees, player re-buys, and fees  
 17 for participating in the tournament less the total amount paid  
 18 to the winners or others as prizes.

19 (13) TAXES AND OTHER PAYMENTS.--

20 (h) One-quarter of the moneys deposited into the  
 21 Pari-mutuel Wagering Trust Fund pursuant to paragraph (g)  
 22 shall, by October 1 of each year, be distributed to the local  
 23 government that approved the cardroom under subsection (16)  
 24 ~~counties in which the cardrooms are located~~; however, if two  
 25 or more pari-mutuel racetracks are located within the same  
 26 incorporated municipality, the cardroom funds shall be  
 27 distributed to the municipality. If a pari-mutuel facility is  
 28 situated in such a manner that it is located in more than one  
 29 county, the site of the cardroom facility shall determine the  
 30 location for purposes of disbursement of tax revenues under  
 31 this paragraph. The division shall, by September 1 of each

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1 year, determine: the amount of taxes deposited into the  
2 Pari-mutuel Wagering Trust Fund pursuant to this section from  
3 each cardroom licensee; the location by county of each  
4 cardroom; whether the cardroom is located in the  
5 unincorporated area of the county or within an incorporated  
6 municipality; and, the total amount to be distributed to each  
7 eligible county and municipality.

8 (16) LOCAL GOVERNMENT ~~COUNTY COMMISSION~~ APPROVAL.--The  
9 Division of Pari-mutuel Wagering shall not issue any initial  
10 license under this section except upon proof in such form as  
11 the division may prescribe that the local government where the  
12 applicant for such license desires to conduct cardroom gaming  
13 has voted to approve such activity by a majority vote of the  
14 governing body of the municipality or the governing body of  
15 the county if the facility is not located in a municipality a  
16 ~~majority of the county commissioners in the county where the~~  
17 ~~applicant for such license desires to conduct cardroom gaming~~  
18 ~~has voted to approve such activity within the county.~~

19 Section 2. For the 2007-2008 fiscal year, four  
20 full-time equivalent positions and 138,949 in associated  
21 salary rate are authorized, and the sums of \$230,722 in  
22 recurring funds and \$48,411 in nonrecurring funds are  
23 appropriated from the Pari-mutuel Wagering Trust Fund of the  
24 Department of Business and Professional Regulation for the  
25 purpose of carrying out activities related to this act.

26 Section 3. This act shall take effect July 1, 2007.  
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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
COMMITTEE SUBSTITUTE FOR  
Senate Bills CS for CS for 752 and CS for CS for  
1192

The bill amends s. 849.086(13)(h), F.S., to provide that the city or county that grants the approval for the initial cardroom license will receive the designated funds from the Pari-mutuel Wagering Trust Fund.

The bill amends s. 849.086(16), F.S., to require approval by a majority vote of either the municipality or the county where the proposed cardroom is seeking location.