

By the Committees on Finance and Tax; Regulated Industries; and
Senator Geller

593-07374-08

20081006c2

1 A bill to be entitled

2 An act relating to cardrooms; amending s. 849.086, F.S.;
3 providing definitions; authorizing cardroom operators to
4 host charity/celebrity poker tournaments and televised
5 high-stakes poker tournaments at certain pari-mutuel
6 facilities; providing limitations; authorizing the
7 Division of Pari-mutuel Wagering of the Department of
8 Business and Professional Regulation to adopt rules
9 governing the operation of tournaments; providing an
10 effective date.

11
12 Be It Enacted by the Legislature of the State of Florida:

13
14 Section 1. Subsections (2), (4), and (7) and paragraph (h)
15 of present subsection (13) of section 849.086, Florida Statutes,
16 are amended, present subsections (9) through (17) of that section
17 are redesignated as subsections (10) through (18), respectively,
18 and a new subsection (9) is added to that section, to read:

19 849.086 Cardrooms authorized.--

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

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

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

27 (c) "Cardroom" means a facility where authorized games are
28 played for money or anything of value and to which the public is
29 invited to participate in such games and charged a fee for

593-07374-08

20081006c2

30 participation by the operator of such facility. Authorized games
31 and cardrooms do not constitute casino gaming operations.

32 (d) "Cardroom management company" means any individual not
33 an employee of the cardroom operator, any proprietorship,
34 partnership, corporation, or other entity that enters into an
35 agreement with a cardroom operator to manage, operate, or
36 otherwise control the daily operation of a cardroom.

37 (e) "Cardroom distributor" means any business that
38 distributes cardroom paraphernalia such as card tables, betting
39 chips, chip holders, dominoes, dominoes tables, drop boxes,
40 banking supplies, playing cards, card shufflers, and other
41 associated equipment to authorized cardrooms.

42 (f) "Cardroom operator" means a licensed pari-mutuel
43 permitholder which holds a valid permit and license issued by the
44 division pursuant to chapter 550 and which also holds a valid
45 cardroom license issued by the division pursuant to this section
46 which authorizes such person to operate a cardroom and to conduct
47 authorized games in such cardroom.

48 (g) "Charity/celebrity poker tournament" means a game of
49 poker which is played without limits on the amount wagered in any
50 game or series of games or without limits on the rounds of
51 betting established in this section if a minimum of 70 percent of
52 the net proceeds from each poker tournament is donated to a
53 charitable organization organized pursuant to s. 501(c)(3) of the
54 Internal Revenue Code.

55 (h)~~(g)~~ "Division" means the Division of Pari-mutuel
56 Wagering of the Department of Business and Professional
57 Regulation.

58 (i)~~(h)~~ "Dominoes" means a game of dominoes typically played

593-07374-08

20081006c2

59 | with a set of 28 flat rectangular blocks, called "bones," which
60 | are marked on one side and divided into two equal parts, with
61 | zero to six dots, called "pips," in each part. The term also
62 | includes larger sets of blocks that contain a correspondingly
63 | higher number of pips. The term also means the set of blocks used
64 | to play the game.

65 | ~~(j)~~ (i) "Gross receipts" means the total amount of money
66 | received by a cardroom from any person for participation in
67 | authorized games.

68 | (k) "Televised high-stakes poker tournament" means a game
69 | of poker which is played without limits on the amount wagered in
70 | any game or series of games or without limits on the rounds of
71 | betting established in this section.

72 | ~~(l)~~ (j) "House" means the cardroom operator and all
73 | employees of the cardroom operator.

74 | ~~(m)~~ (k) "Net proceeds" means the total amount of gross
75 | receipts received by a cardroom operator from cardroom operations
76 | less direct operating expenses related to cardroom operations,
77 | including labor costs, admission taxes only if a separate
78 | admission fee is charged for entry to the cardroom facility,
79 | gross receipts taxes imposed on cardroom operators by this
80 | section, the annual cardroom license fees imposed by this section
81 | on each table operated at a cardroom, and reasonable promotional
82 | costs excluding officer and director compensation, interest on
83 | capital debt, legal fees, real estate taxes, bad debts,
84 | contributions or donations, or overhead and depreciation expenses
85 | not directly related to the operation of the cardrooms.

86 | ~~(n)~~ (l) "Rake" means a set fee or percentage of the pot
87 | assessed by a cardroom operator for providing the services of a

593-07374-08

20081006c2

88 dealer, table, or location for playing the authorized game.

89 (o)~~(m)~~ "Tournament" means a series of games that have more
90 than one betting round involving one or more tables and where the
91 winners or others receive a prize or cash award.

92 (4) AUTHORITY OF DIVISION.--The Division of Pari-mutuel
93 Wagering of the Department of Business and Professional
94 Regulation shall administer this section and regulate the
95 operation of cardrooms under this section and the rules adopted
96 pursuant thereto, and is ~~hereby~~ authorized to:

97 (a)1. Adopt rules, including, but not limited to: the
98 issuance of cardroom and employee licenses for cardroom
99 operations; the operation of a cardroom; recordkeeping and
100 reporting requirements; and the collection of all fees and taxes
101 imposed by this section.

102 2. Adopt rules for the operation of high-stakes poker
103 tournaments and charity/celebrity poker tournaments, including,
104 but not limited to, the amount of betting units and payout
105 scales.

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

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

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

113 (e) Take testimony, issue summons and subpoenas for any
114 witness, and issue subpoenas duces tecum in connection with any
115 matter within its jurisdiction.

116 (f) Monitor and ensure the proper collection of taxes and

593-07374-08

20081006c2

117 fees imposed by this section. Permitholder internal controls are
118 mandated to ensure no compromise of state funds. To that end, a
119 roaming division auditor shall ~~will~~ monitor and verify the cash
120 flow and accounting of cardroom revenue for any given operating
121 day.

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

123 (a) A cardroom may be operated only at the location
124 specified on the cardroom license issued by the division, and
125 such location may only be the location at which the pari-mutuel
126 permitholder is authorized to conduct pari-mutuel wagering
127 activities pursuant to such permitholder's valid pari-mutuel
128 permit or as otherwise authorized by law.

129 (b) Any cardroom operator ~~horserace, greyhound race, or jai~~
130 ~~alai permitholder licensed under this section~~ may operate a
131 cardroom at the pari-mutuel facility daily throughout the year,
132 ~~on any day for a cumulative amount of 12 hours~~ if the
133 permitholder meets the requirements under paragraph (5) (b). The
134 cardroom may be open a cumulative amount of 18 hours per day on
135 Monday through Friday and 24 hours per day on Saturday and Sunday
136 and on the holidays specified in s. 110.117(1).

137 (c) A cardroom operator must at all times employ and
138 provide a nonplaying dealer for each table on which authorized
139 card games which traditionally use a dealer are conducted at the
140 cardroom. Such dealers may not have a participatory interest in
141 any game other than the dealing of cards and may not have an
142 interest in the outcome of the game. The providing of such
143 dealers by a licensee does not constitute the conducting of a
144 banking game by the cardroom operator.

145 (d) A cardroom operator may award giveaways, jackpots, and

593-07374-08

20081006c2

146 prizes to a player who holds certain combinations of cards
147 specified by the cardroom operator.

148 (e) Each cardroom operator shall conspicuously post upon
149 the premises of the cardroom a notice which contains a copy of
150 the cardroom license; a list of authorized games offered by the
151 cardroom; the wagering limits imposed by the house, if any; any
152 additional house rules regarding operation of the cardroom or the
153 playing of any game; and all costs to players to participate,
154 including any rake by the house. In addition, each cardroom
155 operator shall post at each table a notice of the minimum and
156 maximum bets authorized at such table and the fee for
157 participation in the game conducted.

158 (f) The cardroom facility is subject to inspection by the
159 division or any law enforcement agency during the licensee's
160 regular business hours. The inspection must specifically include
161 the permitholder internal control procedures approved by the
162 division.

163 (g) A cardroom operator may refuse entry to or refuse to
164 allow any person who is objectionable, undesirable, or disruptive
165 to play, but such refusal may not be on the basis of race, creed,
166 color, religion, gender, national origin, marital status,
167 physical handicap, or age, except as provided in this section.

168 (9) CHARITY/CELEBRITY POKER TOURNAMENTS AND TELEVISED HIGH-
169 STAKES POKER TOURNAMENTS.--

170 (a) A cardroom operator may host a charity/celebrity poker
171 tournament six times each year for 8 consecutive calendar days at
172 a pari-mutuel facility that is authorized to operate cardrooms
173 during the hours that the pari-mutuel facility is open to conduct
174 business. Such a tournament may be conducted only once in any 2-

593-07374-08

20081006c2

175 month period. Any payments made to charitable organizations
176 pursuant to this part shall not be calculated as gross receipts
177 for purposes of tax payments to the state under paragraph
178 (14) (a) .

179 (b) A cardroom operator may host a televised high-stakes
180 poker tournament twice each year for 8 consecutive calendar days
181 at a pari-mutuel facility that is authorized to operate cardrooms
182 during the hours that the pari-mutuel facility is open to conduct
183 business. Such a tournament may be conducted only once in any 6-
184 month period.

185 (c) A charity/celebrity poker tournament and televised
186 high-stakes poker tournament shall consist of a series of games
187 played at multiple tables. Tournaments shall be played only with
188 tournament chips that shall be provided to all participants in
189 exchange for an entry fee and any subsequent rebuys. All players
190 shall receive an equal number of tournament chips for their entry
191 fee. Tournament chips shall have no cash value and shall
192 represent tournament points only. There shall be no limitation on
193 the number of tournament chips that can be used for a bet except
194 as determined by the cardroom operator. Tournament chips may
195 never be redeemed for cash or any other thing of value. The entry
196 fee for a tournament shall be decided by the cardroom operator,
197 but the entry fee may not exceed \$10,000 in value and subsequent
198 rebuys may not exceed 50 percent of the required entry fee. The
199 distribution of prizes and cash awards shall be determined by the
200 cardroom operator before entry fees are accepted. For purposes of
201 tournament play only, the term "gross receipts" for the
202 tournament means the total amount received by the cardroom
203 operator for all entry fees, player rebuys, and fees for

593-07374-08

20081006c2

204 participation in tournaments, less the total amount paid to the
205 winners or others as prizes. The total number of players that may
206 enter the tournament shall be decided by the cardroom operator,
207 but the total number of players may not exceed 1,000.

208 (14)~~(13)~~ TAXES AND OTHER PAYMENTS.--

209 (h) One-quarter of the moneys deposited into the Pari-
210 mutuel Wagering Trust Fund pursuant to paragraph (g) shall, by
211 October 1 of each year, be distributed to the local government
212 that approved the cardroom under subsection (17) ~~(16)~~; however,
213 if two or more pari-mutuel racetracks are located within the same
214 incorporated municipality, the cardroom funds shall be
215 distributed to the municipality. If a pari-mutuel facility is
216 situated in such a manner that it is located in more than one
217 county, the site of the cardroom facility shall determine the
218 location for purposes of disbursement of tax revenues under this
219 paragraph. The division shall, by September 1 of each year,
220 determine: the amount of taxes deposited into the Pari-mutuel
221 Wagering Trust Fund pursuant to this section from each cardroom
222 licensee; the location by county of each cardroom; whether the
223 cardroom is located in the unincorporated area of the county or
224 within an incorporated municipality; and, the total amount to be
225 distributed to each eligible county and municipality.

226 Section 2. This act shall take effect July 1, 2008.