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1 A bill to be entitled  
2 An act relating to Internet poker; creating the "Internet  
3 Poker Consumer Protection and Revenue Generation Act of  
4 2010"; providing for intrastate Internet poker to be  
5 provided to the public by cardroom operators through a  
6 state Internet poker network operated by Internet poker  
7 hub operators; amending s. 849.087, F.S.; providing  
8 legislative intent; providing definitions; authorizing a  
9 person in the state to participate in an authorized game  
10 of poker or a poker tournament; authorizing a person to  
11 operate the state Internet poker network; providing  
12 authority to Division of Pari-mutuel Wagering of the  
13 Department of Business and Professional Regulation to  
14 administer the act and regulate the operation of the state  
15 Internet poker network, the Internet poker hub operator,  
16 the cardroom affiliates, and the play of intrastate  
17 Internet poker; authorizing the division to adopt rules,  
18 conduct investigations and monitor the operations, review  
19 books and accounts and records, suspend or revoke any  
20 license or permit for any violation, take testimony, issue  
21 summons and subpoenas, and monitor and ensure the proper  
22 collection of taxes and fees; requiring Internet poker hub  
23 operators to be licensed; providing qualifications and  
24 conditions for such licensure; requiring reporting to and  
25 approval by the division of a change in ownership under  
26 certain conditions; requiring certain license fees;  
27 providing for use of fees collected; providing for the  
28 division to request proposals for Internet poker hub

29 operators to provide services for intrastate Internet  
30 poker games; providing conditions for such proposals;  
31 requiring a filing fee; providing for refunding of excess  
32 filing fees; requiring an applicant for an Internet poker  
33 hub operator license to provide evidence of a surety bond;  
34 requiring the bond to meet certain conditions; providing  
35 for governance of the contract between the Internet poker  
36 hub operator and the state; providing for amendment of the  
37 contract; providing for effect of changes to the law;  
38 providing procedures for abandonment of the contract;  
39 providing for contract disputes; providing for a cardroom  
40 affiliate license to be issued to a cardroom operator;  
41 requiring such license to provide intrastate Internet  
42 poker for play to users; providing for annual renewal of  
43 the affiliate license; providing for applications for the  
44 affiliate license and renewal thereof; providing  
45 conditions for licensure as an affiliate; requiring  
46 reporting to and approval by the division of a change of  
47 ownership of the affiliate license; providing a fee for  
48 the affiliate license; providing for business and employee  
49 occupational licenses; requiring certain employees of and  
50 certain companies doing business with a cardroom affiliate  
51 or an Internet poker hub operator to hold an appropriate  
52 occupational license; prohibiting such operator or  
53 affiliate from employing or allowing to be employed such a  
54 person or doing business with such company if that person  
55 or company does not hold an occupational license;  
56 directing the division to adopt by rule a schedule for

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57 | renewal of such occupational licenses; providing that such  
58 | occupational licenses are not transferrable; providing for  
59 | applications for occupational licenses and renewal  
60 | thereof; directing the division to adopt rules regarding  
61 | such occupational licenses and applications for such  
62 | licenses; providing that such occupational license is  
63 | valid for a certain time period and at any Internet hub  
64 | operator or cardroom affiliate; providing for a fee for  
65 | initial and renewal applications for such occupational  
66 | licenses; providing penalties for failure to pay the fee;  
67 | providing grounds for the division to deny an application  
68 | for or revoke, suspend, or place conditions or  
69 | restrictions on or refuse to renew such occupational  
70 | license; requiring fingerprints for all such occupational  
71 | license applications which shall be taken in a manner  
72 | approved by the division and submitted electronically to  
73 | the Department of Law Enforcement for state processing and  
74 | the Federal Bureau of Investigation for national  
75 | processing; providing exceptions; defining the term  
76 | "conviction"; providing for costs of processing and  
77 | retaining fingerprints and conducting a criminal history  
78 | records check; providing procedures for processing  
79 | fingerprints and conducting a criminal history records  
80 | check and for payment of costs; providing for citations  
81 | and civil penalties; providing requirements to register  
82 | and play intrastate Internet poker; providing for an  
83 | Internet Poker Self-Exclusion Form; requiring the Internet  
84 | hub operator to exclude from play any person who has

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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85 | completed such form; providing for maintenance of the form  
86 | and distribution to cardroom affiliates and the division;  
87 | requiring the Internet poker hub operator to display a  
88 | link to the website offering services related to the  
89 | prevention of compulsive and addictive gambling; limiting  
90 | liability should a person who has completed such form gain  
91 | access to and play Internet poker; providing requirements  
92 | for approval of games to be offered to players; providing  
93 | requirements for all offered games and game results;  
94 | providing requirements to minimize fraud and cheating;  
95 | prohibiting action for damages against the Internet poker  
96 | hub operator to prevent fraud or cheating under certain  
97 | circumstances; providing for games when play cannot be  
98 | completed; providing for player registration and player  
99 | accounts to be established by the Internet poker hub  
100 | operator; requiring a person to be registered and have a  
101 | player account before participation in any game; providing  
102 | procedures and requirements for registration; providing  
103 | for a privacy policy and a terms of use agreement;  
104 | providing grounds for the Internet poker hub operator to  
105 | suspend or revoke the account of a registered player;  
106 | providing responsibilities of the Internet poker hub  
107 | operator for maintenance of player accounts and for  
108 | providing certain system functions; requiring the Internet  
109 | poker hub operator to establish a book of accounts,  
110 | regularly audit financial records, and make the records  
111 | available to the division; requiring the Internet poker  
112 | hub operator to maintain a system of maintaining records

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113 and reports that are readily available to the division;  
114 providing for content of such records and reports;  
115 requiring player accounts to be reconciled monthly;  
116 providing technical system requirements; requiring the  
117 Internet poker hub operator to define, document, and  
118 implement certain methodologies relating to its systems;  
119 requiring the Internet poker hub operator to maintain such  
120 documentation for a certain period of time; providing for  
121 player fees; prohibiting certain relationships and acts by  
122 employees of the division and occupational license holders  
123 and certain relatives; prohibiting games not authorized  
124 and play by a person who has not attained a certain age;  
125 prohibiting false statements; providing penalties;  
126 providing for disposition of fines collected; providing  
127 for license fees and taxes to be paid by the Internet  
128 poker hub operator; providing for disposition of fees and  
129 taxes collected; requiring payments to be accompanied by a  
130 report showing all intrastate Internet poker activities  
131 for the preceding calendar month and containing such other  
132 information as prescribed by the division; requiring  
133 cardroom affiliates to use a portion of receipts to  
134 supplement pari-mutuel purses; providing penalties for  
135 failure to pay taxes and penalties; providing for use of  
136 certain deposits; providing grounds for the division to  
137 deny a license or the renewal thereof or suspend or revoke  
138 a license; providing penalties; authorizing the division  
139 to adopt rules; providing for administration of the act

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140 and regulation of the intrastate Internet poker industry;  
 141 providing an effective date.

142

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

144

145 Section 1. This act may be cited as the "Internet Poker  
 146 Consumer Protection and Revenue Generation Act of 2010."

147 Section 2. Section 849.087, Florida Statutes, is created  
 148 to read:

149 849.087 Intrastate Internet poker authorized.—

150 (1) LEGISLATIVE INTENT.—It is the intent of the  
 151 Legislature to create a framework for the state to regulate  
 152 intrastate Internet poker sites that can ensure consumer  
 153 protections and additional revenue to the state by authorizing,  
 154 implementing, and creating a licensing and regulatory structure  
 155 and system of Internet poker to:

156 (a) Ensure that intrastate Internet poker is only offered  
 157 for play in a manner that is lawful under the federal Unlawful  
 158 Internet Gaming Enforcement Act of 2006 which authorizes a state  
 159 to regulate and conduct intrastate Internet gambling, such as  
 160 poker.

161 (b) Provide a new source of revenue that will generate  
 162 additional positive economic benefits to the state instead of  
 163 flowing offshore to unregulated foreign operators and markets.

164 (c) Create a contractual relationship with an Internet  
 165 poker hub operator with the technical expertise to ensure that  
 166 wagering authorized by this section is only offered to  
 167 registered players who are physically present within the borders

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168 of this state at the time of play and who are at least 21 years  
169 of age or older.

170 (d) Provide for a competitive procurement process to  
171 select Internet poker hub operators that are qualified to be  
172 licensed by the state and meet all statutory, regulatory, and  
173 contractual requirements of the state while protecting  
174 registered poker players.

175 (e) Provide for a licensed cardroom operator to become a  
176 licensed provider of intrastate Internet poker through licensed  
177 Internet poker hub operators.

178 (f) Ensure that the state is able to collect all taxes and  
179 fees revenues from the play of intrastate Internet poker.

180 (g) Create a system to protect each registered poker  
181 player's private information and prevent fraud and identity  
182 theft and ensure that their financial transactions are processed  
183 in a secure and transparent fashion.

184 (h) Ensure that the regulatory agency has unlimited access  
185 to the premises and records of the licensed Internet poker hub  
186 operator and cardroom affiliates to ensure strict compliance  
187 with its regulations concerning credit authorization, account  
188 access, and other security provisions.

189 (i) Require that the Internet poker hub operators provide  
190 registered poker players with accessible customer service.

191 (j) Require that the Internet poker hub operator's site  
192 contains information relating to problem gambling, including a  
193 telephone number that an individual may call to seek information  
194 and assistance for a potential gambling addiction.

195 (2) DEFINITIONS.—As used in this section:

196        (a) "Authorized game" means a game or series of games of  
197 poker which are played in a nonbanking manner through the state  
198 Internet poker network.

199        (b) "Cardroom affiliate" means a licensed cardroom  
200 operator as defined in s. 849.086(2)(f) who maintains an  
201 Internet website as a portal into the state Internet poker  
202 network.

203        (c) "Division" means the Division of Pari-mutuel Wagering  
204 of the Department of Business and Professional Regulation.

205        (d) "Gross receipts" means the total amount of money  
206 received by the Internet poker hub operator from registered  
207 players for participation in authorized games.

208        (e) "Internet poker hub operator" means a system operator  
209 that the state contracts with to operate the intrastate Internet  
210 poker network.

211        (f) "Intrastate Internet poker" means the playing of  
212 authorized games of poker over the Internet by registered  
213 players who must be physically present within the borders of  
214 this state at the time of play.

215        (g) "Liquidity" means the total number of registered  
216 players available in the state Internet poker network.

217        (h) "Net proceeds" means the total amount of gross  
218 receipts received by the Internet poker hub operator from  
219 intrastate Internet poker operations less direct operating  
220 expenses related to the Internet poker hub operations, including  
221 labor costs, gross receipts taxes imposed on the Internet poker  
222 hub operator by this section, the business and occupational  
223 license fees imposed by this section, the fees paid to cardroom



224 affiliates, revenue and reasonable promotional costs excluding  
 225 officer and director compensation, interest on capital debt,  
 226 legal fees, real estate taxes, bad debts, contributions or  
 227 donations, or overhead and depreciation expenses not directly  
 228 related to the operation of the Internet poker network.

229 (i) "Nonbanking game" means a game in which the house is  
 230 not a participant in the authorized game.

231 (j) "Per-hand charge" means a set fee or a percentage of  
 232 the pot, assessed by the Internet poker hub operator for  
 233 providing the Internet poker services, to registered players for  
 234 the right to participate in authorized games conducted on the  
 235 intrastate Internet poker network. This fee may be referred to  
 236 as the "rake."

237 (k) "Registered player" means a poker player who must be  
 238 physically present within the borders of this state at the time  
 239 of play and who is at least 21 years of age.

240 (l) "State Internet poker network" means an intrastate  
 241 Internet poker system operated by licensed Internet poker hub  
 242 operators that authorizes the playing of and wagering on  
 243 intrastate Internet poker by registered players through a  
 244 licensed cardroom affiliate's website.

245 (m) "Tournament fee" means a set fee assessed to  
 246 registered players by the Internet poker hub operator for  
 247 providing the Internet poker tournament services.

248 (3) INTRASTATE INTERNET POKER AUTHORIZED.-

249 (a) Under the federal Unlawful Internet Gambling  
 250 Enforcement Act of 2006, a state is authorized to regulate and  
 251 conduct intrastate Internet poker as long as all players and the

252 online wagering activities are located within the state.

253 (b) Notwithstanding any other provision of law, a person  
 254 in the state is authorized to participate as a registered player  
 255 in an authorized game or tournament provided on the state  
 256 Internet poker network by a licensed cardroom affiliate or to  
 257 operate the state Internet poker network as a licensed Internet  
 258 poker hub operator described in this section if such game and  
 259 poker operations are conducted strictly in accordance with the  
 260 provisions of this section and federal law.

261 (4) AUTHORITY OF DIVISION.—The Division of Pari-mutuel  
 262 Wagering of the Department of Business and Professional  
 263 Regulation shall administer this section and regulate the  
 264 operation of the state Internet poker network, the Internet  
 265 poker hub operator, the cardroom affiliates, and the play of  
 266 intrastate Internet poker under this section and the rules  
 267 adopted pursuant to this section. The division is authorized to:

268 (a) Adopt rules, including, but not limited to, rules for  
 269 the issuance of operating and individual occupational licenses  
 270 to the Internet poker hub operator, the cardroom affiliate and  
 271 their employees; the operation of the state Internet poker  
 272 network; recordkeeping and reporting requirements; and the  
 273 collection of all fees and taxes imposed by this section.

274 (b) Conduct investigations and monitor the operation of  
 275 the state Internet poker network and the playing of authorized  
 276 games therein.

277 (c) Review the books, accounts, and records of any current  
 278 or former Internet poker hub operator cardroom affiliate.

279 (d) Suspend or revoke any license or permit, after a

280 hearing, for any violation of this section or the administrative  
 281 rules adopted pursuant thereto.

282 (e) Take testimony, issue summons and subpoenas for any  
 283 witness, and issue subpoenas duces tecum in connection with any  
 284 matter within its jurisdiction.

285 (f) Monitor and ensure the proper collection of taxes and  
 286 fees imposed by this section. Internal controls of the Internet  
 287 poker hub operator are required to ensure no compromise of  
 288 revenue to the state. To that end, a roaming division auditor  
 289 will monitor and verify the cash flow and accounting of the  
 290 Internet poker network revenue for any given operating day.

291 (5) INTERNET POKER HUB OPERATOR LICENSE REQUIRED;  
 292 APPLICATION; FEES.—No person may operate as an Internet poker  
 293 hub operator in this state unless such person holds a valid  
 294 Internet poker hub operator license issued pursuant to this  
 295 section.

296 (a) Only those persons holding a valid Internet poker  
 297 license issued by the division may provide intrastate Internet  
 298 poker for play to registered players.

299 (b) An Internet poker hub operator must be incorporated in  
 300 this state.

301 (c) Persons seeking a license or a license renewal to  
 302 operate as an Internet poker hub operator shall make the  
 303 application on forms prescribed by the division. Applications  
 304 for cardroom licenses shall contain all of the information the  
 305 division, by rule, may determine is required to ensure  
 306 eligibility.

307 (d) As a condition of licensure and to maintain continued

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308 authority for the conduct of intrastate Internet poker, the  
309 Internet poker hub operator licensee shall be responsible for  
310 providing appropriate current and accurate documentation on a  
311 timely basis to the division. Changes in ownership or interest  
312 of a Internet poker hub operator license of 5 percent or more of  
313 the stock or other evidence of ownership or equity in the  
314 Internet poker hub operator license or any parent corporation or  
315 other business entity that in any way owns or controls the  
316 Internet poker hub operator license shall be approved by the  
317 division prior to such change, unless the owner is an existing  
318 holder of that license who was previously approved by the  
319 division. Changes in ownership or interest of an Internet poker  
320 hub operator license of less than 5 percent, unless such change  
321 results in a cumulative total of 5 percent or more, shall be  
322 reported to the division within 20 days after the change. The  
323 division may then conduct an investigation to ensure that the  
324 license is properly updated to show the change in ownership or  
325 interest. No reporting is required if the person is holding 5  
326 percent or less equity or securities of a corporate owner of the  
327 Internet poker hub operator licensee that has its securities  
328 registered pursuant to s. 12 of the Securities Exchange Act of  
329 1934, 15 U.S.C. ss. 78a-78kk, and if such corporation or entity  
330 files with the United States Securities and Exchange Commission  
331 the reports required by s. 13 of the Securities Exchange Act of  
332 1934 or if the securities of the corporation or entity are  
333 regularly traded on an established securities market in the  
334 United States. A change in ownership or interest of less than 5  
335 percent which results in a cumulative ownership or interest of 5

336 percent or more shall be approved by the division prior to such  
 337 change unless the owner is an existing holder of the license who  
 338 was previously approved by the division.

339 (e)1. Upon submission of the initial application for an  
 340 Internet poker hub operator license as prescribed by the  
 341 division, the licensee must pay to the division a nonrefundable  
 342 license fee of \$500,000.

343 2. Annually thereafter, on the anniversary date of the  
 344 issuance of the initial license, an Internet poker hub operator  
 345 shall pay 10 percent of the monthly gross receipts derived from  
 346 the play of intrastate Internet poker during the previous state  
 347 fiscal year to fund the division's regulation and oversight of  
 348 the operation and play of intrastate Internet poker. All funds  
 349 shall be deposited by the division with the Chief Financial  
 350 Officer to the credit of the Pari-mutuel Wagering Trust Fund.

351 (6) SELECTION OF AN INTERNET POKER HUB OPERATOR BY  
 352 COMPETITIVE PROCUREMENT PROCESS.—The division shall, subject to  
 353 a competitive procurement process, request proposals for  
 354 Internet poker hub operators to provide services for lawful  
 355 intrastate Internet poker games in the state.

356 (7) QUALIFICATIONS FOR AN INTERNET POKER HUB OPERATOR.—An  
 357 applicant must show when submitting its proposal during the  
 358 competitive procurement process that it meets the following  
 359 requirements:

360 (a) It has a certificate of incorporation in this state.

361 (b) It is legally, technically, and financially qualified  
 362 to provide the services to be selected as an Internet poker hub  
 363 operator.

364 (c) Its executives and key employees meet the requirements  
 365 to obtain intrastate Internet poker occupational licenses from  
 366 the division pursuant to subsection (12).

367 (d) It is experienced and qualified to receive an Internet  
 368 poker hub operator license from the division.

369 (e) It is licensed to operate various forms of gaming or  
 370 lottery activities in one or more regulated jurisdictions in  
 371 United States.

372 (f) It has existing and established experience with  
 373 Internet gaming and is licensed to conduct Internet gaming  
 374 activities in one or more regulated jurisdictions outside the  
 375 United States where such Internet gaming is legal.

376 (8) SUBMISSION OF THE APPLICATION FOR AN INTERNET POKER  
 377 HUB OPERATOR.—In addition to demonstrating that the applicant is  
 378 legally, technically, and financially qualified to become an  
 379 Internet poker hub operator in the state, the applicant's  
 380 proposal must describe how it will fulfill the partnership role  
 381 envisaged by this section. The applicant must provide all of the  
 382 following:

383 (a) All necessary documentation and information relating  
 384 to the applicant and its direct and indirect owners, including,  
 385 but not limited to:

386 1. A certificate of incorporation in this state and other  
 387 founding documents.

388 2. Current and historical audited financial and  
 389 accounting records.

390 3. Any and all documents relating to legal and  
 391 regulatory proceedings in this state and other

392 jurisdictions.

393 4. Any and all documents relating to the applicant's  
 394 business history, including all state and federal tax  
 395 filings.

396 5. All documents relating to the nature and sources of  
 397 the applicant's financing.

398 6. All documentation that demonstrates that the  
 399 applicant is financially qualified to perform the  
 400 obligations of the Internet poker hub operator as described in  
 401 this section.

402 7. Any other documentation or information that the  
 403 division, by rule, may determine is required to ensure  
 404 eligibility.

405 (b) All necessary documentation and information relating  
 406 to all proposed subcontractors of the applicant, including, but  
 407 not limited to:

408 1. A description of the services to be provided by each  
 409 subcontractor.

410 2. Information for each subcontractor as set forth in this  
 411 section.

412 3. Any other documentation or information that the  
 413 division, by rule, may determine is required to ensure  
 414 eligibility.

415 (c) A description by the applicant of how it will  
 416 facilitate compliance with all of the requirements in this  
 417 section, including, but not limited to:

418 1. Registered player requirements relating to:

419 a. Intrastate play.

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- 420        b. Age verification.
- 421        c. Exclusion of problem gamblers.
- 422        2. Network system requirements, including, but not  
423 limited to:
- 424        a. Connectivity.
- 425        b. Hardware.
- 426        c. Software.
- 427        d. Anti-fraud systems.
- 428        e. Virus prevention.
- 429        f. Data protection.
- 430        g. Access controls.
- 431        h. Firewalls.
- 432        i. Disaster recovery.
- 433        j. Redundancy.
- 434        3. Gaming systems requirements, including, but not  
435 limited to, hardware and software that ensures:
- 436        a. Games are legal.
- 437        b. Games are independent and fair.
- 438        c. Game and betting rules are available to all registered  
439 players.
- 440        d. All data used for the conduct of each game is randomly-  
441 generated and unpredictable.
- 442        4. Accounting systems requirements, including, but not  
443 limited to, requirements for:
- 444        a. Registered player accounts.
- 445        b. Per-hand charges.
- 446        c. Transparency and reporting to the division.
- 447        d. Distribution of revenue to the state, distribution of



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448 funds pursuant to contract, and distribution to registered  
449 players.

450 e. On-going auditing.

451 (d) A description of the games and services the applicant  
452 proposes to offer to registered players.

453 (e) A description by the applicant of how it will ensure  
454 that registered players are at least 21 years of age or older  
455 and facilitate registered player protections and resolution of  
456 player disputes.

457 (f) In addition, upon submission of the initial  
458 application and proposal, the applicant shall pay an initial  
459 filing fee of \$25,000 to compensate the division for reasonably  
460 anticipated costs to be incurred to conduct a comprehensive  
461 investigation of the applicant to determine if the applicant is  
462 legally, technically, and financially qualified to become the  
463 state's Internet poker hub operator and is suitable for  
464 licensure. The division may require, by rule, additional funds  
465 to complete the investigation. The division may set, by rule, a  
466 procedure for refunding any unused amount of the filing fees.

467 (9) INTERNET POKER HUB OPERATOR; FINANCIAL RESPONSIBILITY;  
468 BOND REQUIRED.—The holder of a license to be an Internet poker  
469 hub operator in the state shall be financially and otherwise  
470 responsible for the operation of the intrastate Internet poker  
471 network and for the conduct of any employee involved in the  
472 operation of the online poker network. Prior to the issuance of  
473 the Internet poker hub operator license, each applicant for such  
474 license shall provide evidence of a surety bond in the amount of  
475 \$500,000, payable to the state, for each year that the licensee

476 is licensed to be an Internet poker hub operator in the state.  
 477 The bond shall be issued by a surety or sureties authorized to  
 478 do business in the state and approved by the division and the  
 479 state's Chief Financial Officer in his or her capacity as  
 480 treasurer of the division. The bond shall guarantee that an  
 481 Internet poker hub operator fulfills all financial requirements  
 482 of the contract. Such bond shall be kept in full force and  
 483 effect by an Internet poker hub operator during the term of the  
 484 license.

485 (10) INTERNET POKER HUB OPERATOR; CONTRACT  
 486 RESPONSIBILITIES.—A licensed Internet poker hub operator must  
 487 comply with the terms of its contract with the state and this  
 488 section.

489 (a) The accepted proposal agreed to by the division, on  
 490 behalf of the state, and an Internet poker hub operator  
 491 applicant shall govern the interpretation of the contract  
 492 creating a partnership entered into between the state and an  
 493 Internet poker hub operator.

494 (b) The contract may be amended by mutual agreement of the  
 495 division and an Internet poker hub operator.

496 (c) In the event of amendment of this section, an Internet  
 497 poker hub operator may declare the contract null and void within  
 498 60 days after the effective date of such amendment; otherwise an  
 499 Internet poker hub operator agrees to be bound by any amendments  
 500 to this section adopted after the terms of the contract are  
 501 established.

502 (d) In the event of commercial infeasibility created by a  
 503 change in federal law rendering the provision of intrastate

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504 poker services illegal or some other event, an Internet poker  
505 hub operator may abandon the contract after providing the  
506 division with a minimum of 30 days' notice of its intent to end  
507 the contract and a statement explaining its interpretation that  
508 continuing to provide services under the contract is  
509 commercially infeasible.

510 (e) In the event that any dispute arises between the  
511 parties to the contract, either the division or an Internet  
512 poker hub operator may go through an administrative law judge or  
513 circuit court for an initial interpretation of the contract and  
514 the rights and responsibilities therein.

515 (11) CARDROOM AFFILIATE LICENSE REQUIRED; APPLICATION;  
516 FEES.—A cardroom affiliate license may only be issued to a  
517 cardroom operator who is licensed under s. 849.086 and complies  
518 with all the requirements of that section and the rules  
519 promulgated per that section.

520 (a) Only those persons holding a valid cardroom affiliate  
521 license issued by the division may provide intrastate Internet  
522 poker for play to registered players through its website.

523 (b) After the initial cardroom affiliate license is  
524 granted, the application for the annual cardroom affiliate  
525 license renewal shall be made in conjunction with the  
526 applicant's annual application for its pari-mutuel and cardroom  
527 licenses under chapter 550 and s. 849.086, respectively.

528 (c) Persons seeking a license or a renewal thereof to  
529 operate as a cardroom affiliate shall make the application on  
530 forms prescribed by the division. Applications for cardroom  
531 licenses shall contain all of the information the division, by

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532 rule, may determine is required to ensure eligibility.

533 (d) As a condition of licensure and to maintain continued  
534 authority for the conduct of intrastate Internet poker, the  
535 cardroom affiliate licensee shall be responsible for providing  
536 appropriate current and accurate documentation on a timely basis  
537 to the division. Changes in ownership or interest of a cardroom  
538 affiliate license of 5 percent or more of the stock or other  
539 evidence of ownership or equity in the cardroom affiliate  
540 license or any parent corporation or other business entity that  
541 in any way owns or controls the cardroom affiliate license shall  
542 be approved by the division prior to such change, unless the  
543 owner is an existing holder of that license who was previously  
544 approved by the division. Changes in ownership or interest of a  
545 cardroom affiliate license of less than 5 percent, unless such  
546 change results in a cumulative total of 5 percent or more, shall  
547 be reported to the division within 20 days after the change. The  
548 division may then conduct an investigation to ensure that the  
549 license is properly updated to show the change in ownership or  
550 interest. No reporting is required if the person is holding 5  
551 percent or less equity or securities of a corporate owner of the  
552 cardroom affiliate licensee that has its securities registered  
553 pursuant to s. 12 of the Securities Exchange Act of 1934, 15  
554 U.S.C. ss. 78a-78kk, and if such corporation or entity files  
555 with the United States Securities and Exchange Commission the  
556 reports required by s. 13 of that act or if the securities of  
557 the corporation or entity are regularly traded on an established  
558 securities market in the United States. A change in ownership or  
559 interest of less than 5 percent which results in a cumulative

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560 ownership or interest of 5 percent or more shall be approved by  
561 the division prior to such change unless the owner is an  
562 existing holder of the license who was previously approved by  
563 the division.

564 (e) The annual cardroom affiliate license fee shall be  
565 \$1,000. The annual license fee shall be deposited by the  
566 division with the Chief Financial Officer to the credit of the  
567 Pari-mutuel Wagering Trust Fund.

568 (12) BUSINESS AND EMPLOYEE OCCUPATIONAL LICENSE REQUIRED;  
569 APPLICATION; FEES.—

570 (a) A person employed by or otherwise working for an  
571 Internet poker hub operator or a cardroom affiliate in any  
572 capacity related to intrastate Internet poker operations while  
573 conducting intrastate Internet poker must hold a valid  
574 occupational license issued by the division.

575 (b) Any poker management company or poker distributor  
576 associated with intrastate Internet poker operations must hold a  
577 valid intrastate Internet poker business occupational license  
578 issued by the division.

579 (c) No licensed Internet poker hub operator or a cardroom  
580 affiliate may employ or allow to be employed in any capacity  
581 related to the operation of intrastate Internet poker unless  
582 such person holds a valid occupational license. No licensed  
583 Internet poker hub operator or cardroom affiliate may contract,  
584 or otherwise do business with, a business required to hold a  
585 valid intrastate Internet poker business occupational license,  
586 unless the business holds such a valid license.

587 (d) The division shall establish, by rule, a schedule for

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588 the annual renewal of Internet poker hub operator and cardroom  
589 affiliate occupational licenses. Intrastate Internet poker  
590 occupational licenses are not transferable.

591 (e) Persons seeking intrastate Internet poker occupational  
592 licenses, or renewal thereof, shall make the application on  
593 forms prescribed by the division and include payment of the  
594 appropriate application fee. Applications for intrastate  
595 Internet poker occupational licenses shall contain all of the  
596 information the division, by rule, may determine is required to  
597 ensure eligibility.

598 (f) The division shall promulgate rules regarding  
599 intrastate Internet poker occupational licenses.

600 (g) An intrastate Internet poker license is valid for the  
601 same term as a pari-mutuel occupational license issued pursuant  
602 to s. 550.105(1).

603 (h) Pursuant to rules adopted by the division, any person  
604 may apply for and, if qualified, be issued an intrastate  
605 Internet poker occupational license valid for a period of 3  
606 years upon payment of the full occupational license fee for each  
607 of the 3 years for which the license is issued. The intrastate  
608 Internet poker occupational license is valid during its  
609 specified term at any licensed Internet poker hub operator or a  
610 cardroom affiliate where intrastate Internet poker is authorized  
611 to be conducted.

612 (i) The intrastate Internet poker occupational license fee  
613 for initial application and annual renewal shall be determined  
614 by rule of the division but shall not exceed \$50 for an  
615 occupational license for an employee of an Internet poker hub

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616 operator or a cardroom affiliate licensee or \$1,000 for a  
617 business occupational license for nonemployees of the licensee  
618 providing goods or services to an Internet poker hub operator or  
619 a cardroom affiliate occupational licensee. Failure to pay the  
620 required fee constitutes grounds for disciplinary action by the  
621 division against an Internet poker hub operator or a cardroom  
622 affiliate occupational licensee.

623 (13) BUSINESS AND EMPLOYEE OCCUPATIONAL LICENSE DENIAL.—

624 (a) The division may deny an application for, or revoke,  
625 suspend, or place conditions or restrictions on, a license of a  
626 person or entity that has been refused a license by any other  
627 state gaming commission, governmental department, agency, or  
628 other authority exercising regulatory jurisdiction over the  
629 gaming of another state or jurisdiction; or

630 (b) The division may deny an application for, or suspend  
631 or place conditions on, a license of any person or entity that  
632 is under suspension or has unpaid fines in another state or  
633 jurisdiction.

634 (c) The division may deny, suspend, revoke, or refuse to  
635 renew any Internet poker hub operator or cardroom affiliate  
636 occupational license if the applicant for such license or the  
637 licensee has violated the provisions of this chapter or the  
638 rules of the division governing the conduct of persons connected  
639 with the play of intrastate Internet poker. In addition, the  
640 division may deny, suspend, revoke, or refuse to renew any  
641 Internet poker hub operator or a cardroom affiliate occupational  
642 license if the applicant for such license or the licensee has  
643 been convicted in this state, in any other state, or under the

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644 laws of the United States of a capital felony, a felony, or an  
645 offense in any other state that would be a felony under the laws  
646 of this state involving arson; trafficking in, conspiracy to  
647 traffic in, smuggling, importing, conspiracy to smuggle or  
648 import, or delivery, sale, or distribution of a controlled  
649 substance; racketeering; or a crime involving a lack of good  
650 moral character, or has had a gaming license revoked by this  
651 state or any other jurisdiction for any gaming-related offense.

652 (d) The division may deny, revoke, or refuse to renew any  
653 Internet poker hub operator or a cardroom affiliate occupational  
654 license if the applicant for such license or the licensee has  
655 been convicted of a felony or misdemeanor in this state, in any  
656 other state, or under the laws of the United States if such  
657 felony or misdemeanor is related to gambling or bookmaking as  
658 described in s. 849.25.

659 (e) For purposes of this subsection, the term "convicted"  
660 means having been found guilty, with or without adjudication of  
661 guilt, as a result of a jury verdict, nonjury trial, or entry of  
662 a plea of guilty or nolo contendere.

663 (14) BUSINESS AND EMPLOYEE OCCUPATIONAL LICENSE;  
664 FINGERPRINTS; FEES.—

665 (a) Fingerprints for all intrastate Internet poker  
666 occupational license applications shall be taken in a manner  
667 approved by the division and shall be submitted electronically  
668 to the Department of Law Enforcement for state processing and  
669 the Federal Bureau of Investigation for national processing for  
670 a criminal history records check. All persons employed by or  
671 working with a licensed Internet poker hub operator or a



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672 cardroom affiliate shall submit fingerprints for a criminal  
673 history records check and must not have been convicted of any  
674 disqualifying criminal offenses. Division employees and law  
675 enforcement officers assigned by their employing agencies to  
676 work within the premises as part of their official duties are  
677 excluded from the criminal history records check requirements  
678 under this subsection. For purposes of this subsection, the term  
679 "convicted" means having been found guilty, with or without  
680 adjudication of guilt, as a result of a jury verdict, nonjury  
681 trial, or entry of a plea of guilty or nolo contendere.

682 (b) Fingerprints shall be taken in a manner approved by  
683 the division upon initial application, or as required thereafter  
684 by rule of the division, and shall be submitted electronically  
685 to the Department of Law Enforcement for state processing. The  
686 Department of Law Enforcement shall forward the fingerprints to  
687 the Federal Bureau of Investigation for national processing. The  
688 results of the criminal history records check shall be returned  
689 to the division for purposes of screening. The division  
690 requirements under this subsection shall be instituted in  
691 consultation with the Department of Law Enforcement.

692 (c) The cost of processing fingerprints and conducting a  
693 criminal history records check for an intrastate Internet poker  
694 occupational license shall be borne by the person being checked.  
695 The Department of Law Enforcement may invoice the division for  
696 the fingerprints submitted each month.

697 (d) All fingerprints submitted to the Department of Law  
698 Enforcement and required by this section shall be retained by  
699 the Department of Law Enforcement and entered into the statewide

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700 automated fingerprint identification system as authorized by s.  
701 943.05(2)(b) and shall be available for all purposes and uses  
702 authorized for arrest fingerprint cards entered into the  
703 statewide automated fingerprint identification system pursuant  
704 to s. 943.051.

705 (e) The Department of Law Enforcement shall search all  
706 arrest fingerprints received pursuant to s. 943.051 against the  
707 fingerprints retained in the statewide automated fingerprint  
708 identification system under paragraph (c). Any arrest record  
709 that is identified with the retained fingerprints of a person  
710 subject to the criminal history screening requirements of this  
711 section shall be reported to the division. Each licensed  
712 facility shall pay a fee to the division for the cost of  
713 retention of the fingerprints and the ongoing searches under  
714 this paragraph. The division shall forward the payment to the  
715 Department of Law Enforcement. The amount of the fee to be  
716 imposed for performing these searches and the procedures for the  
717 retention of licensee fingerprints shall be as established by  
718 rule of the Department of Law Enforcement. The division shall  
719 inform the Department of Law Enforcement of any change in the  
720 license status of licensees whose fingerprints are retained  
721 under paragraph (d).

722 (f) The division shall request the Department of Law  
723 Enforcement to forward the fingerprints to the Federal Bureau of  
724 Investigation for a national criminal history records check  
725 every 3 years following issuance of a license. If the  
726 fingerprints of a person who is licensed have not been retained  
727 by the Department of Law Enforcement, the person must file a

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728 complete set of fingerprints as provided for in paragraph (a).  
729 The division shall collect the fees for the cost of the national  
730 criminal history records check under this paragraph and shall  
731 forward the payment to the Department of Law Enforcement. The  
732 cost of processing fingerprints and conducting a criminal  
733 history records check under this paragraph for an intrastate  
734 Internet poker occupational license shall be borne by the person  
735 being checked. The Department of Law Enforcement may invoice the  
736 division for the fingerprints submitted each month. Under  
737 penalty of perjury, each person who is licensed or who is  
738 fingerprinted as required by this section must agree to inform  
739 the division within 48 hours if he or she is convicted of or has  
740 entered a plea of guilty or nolo contendere to any disqualifying  
741 offense, regardless of adjudication.

742 (g) All moneys collected pursuant to this section shall be  
743 deposited into the Pari-mutuel Wagering Trust Fund.

744 (h) The division may deny, revoke, or suspend any  
745 occupational license if the applicant or holder of the license  
746 accumulates unpaid obligations, defaults in obligations, or  
747 issues drafts or checks that are dishonored or for which payment  
748 is refused without reasonable cause.

749 (i) The division may fine or suspend, revoke, or place  
750 conditions upon the license of any licensee who provides false  
751 information under oath regarding an application for a license or  
752 an investigation by the division.

753 (j) The division may impose a civil fine of up to \$10,000  
754 for each violation of this section or the rules of the division  
755 in addition to or in lieu of any other penalty provided for in

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756 this section. The division may adopt a penalty schedule for  
757 violations of this section or any rule adopted pursuant to this  
758 sections for which it would impose a fine in lieu of a  
759 suspension and adopt rules allowing for the issuance of  
760 citations, including procedures to address such citations, to  
761 persons who violate such rules. In addition to any other penalty  
762 provided by law, the division may exclude from all licensed  
763 pari-mutuel, cardroom, and slot machine facilities in this  
764 state, for a period not to exceed the period of suspension,  
765 revocation, or ineligibility, any person who has been declared  
766 ineligible to hold an occupational license or whose occupational  
767 license has been suspended or revoked by the division.

768 (15) REGISTERED PLAYERS; ELIGIBILITY.—

769 (a) All registered players must be within this state at  
770 the time of play of intrastate Internet poker.

771 (b) A person who has not attained 21 years of age shall  
772 not be a registered player or play intrastate Internet poker.

773 (c) The Internet poker hub operator shall exclude from  
774 play any person who has filled out an Internet Poker Self-  
775 Exclusion Form.

776 1. The Internet poker hub operator shall make an Internet  
777 Poker Self-Exclusion Form available online and accessible on the  
778 Internet page that is displayed when:

779 a. A person arrives to register as a registered player; or

780 b. A registered player accesses the first page of the  
781 Internet poker hub website prior to playing.

782 2. Upon receipt of a completed Internet Poker Self-  
783 Exclusion Form, the Internet poker hub operator shall

784 immediately provide a copy of the completed form to the cardroom  
 785 affiliates and the division.

786 3. The Internet poker hub operator shall retain the  
 787 original form to identify persons who request to be excluded  
 788 from play.

789 4. The Internet poker hub operator shall prominently  
 790 display a link to the website of a responsible gaming  
 791 organization that is under contract with the division per s.  
 792 551.118(2) for services related to the prevention of compulsive  
 793 and addictive gambling.

794 5. The Internet poker hub operator shall not be held  
 795 liable in any way should a person who has filled out an Internet  
 796 Poker Self-Exclusion Form gain access and play despite the  
 797 request to be excluded.

798 (16) INTRASTATE INTERNET POKER; AUTHORIZED GAMES.—

799 (a) In order to propose a game of poker for play, the  
 800 Internet poker hub operator shall provide the division with:

801 1. A description of any game of poker and the betting  
 802 rules it proposes to offer to registered players;

803 2. A legal opinion explaining how the game complies with  
 804 federal and state laws; and

805 3. Documentation relating to development and testing of  
 806 the game's software.

807 (b) If the division does not object to the proposed games  
 808 of poker within 30 days after receipt of the proposal, the  
 809 Internet poker hub operator may offer the game to registered  
 810 players.

811 (c) Games and betting events must be operated strictly in

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812 accordance with the specified game and betting rules.

813 (d) The Internet poker hub operator must ensure that the  
814 authorized games of poker are fair. For each authorized game  
815 offered for play, the gaming system must display the following  
816 information:

817 1. The name of the game.

818 2. Any restrictions on play.

819 3. The rules of the game.

820 4. All instructions on how to play.

821 5. The unit and total bets permitted.

822 6. The registered player's current account balance  
823 which shall be updated in real time.

824 7. Any other information that the Internet poker hub  
825 operator determines is necessary for the registered player  
826 to have in real time to compete fairly in the game.

827 (e) All authorized game results must be conducted in such a  
828 fashion that:

829 1. Data used to create results must be unpredictable such  
830 that it is infeasible to predict the next occurrence in a game,  
831 given complete knowledge of the algorithm or hardware generating  
832 the sequence, and all previously generated numbers.

833 2. The game or any game event outcome must not be affected  
834 by the effective bandwidth, link utilization, bit error rate or  
835 other characteristic of the communications channel between the  
836 gaming system and the playing device used by the player.

837 (f) The Internet poker hub operator must deploy controls  
838 and technology to ensure the ability to minimize fraud or  
839 cheating through collusion, such as external exchange of

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840 information between different players, or any other means.

841 1. If the Internet poker hub operator becomes aware that  
842 fraud or cheating is taking place or has taken place, it shall  
843 take steps to stop such activities immediately and will  
844 immediately inform the division of all relevant facts.

845 2. No registered player may bring an action for damages  
846 against the Internet poker hub operator to prevent fraud or  
847 cheating if the Internet poker hub operator can demonstrate  
848 that it acted to prevent such actions as soon as the Internet  
849 poker hub operator became aware of them.

850 (g) In the event that the gaming server or software does  
851 not allow a game to be completed, the hand shall be voided and all  
852 funds relating to the incomplete hand shall be returned to the  
853 registered player's account.

854 (17) REGISTERED PLAYER ACCOUNTS.—

855 (a) The Internet poker hub operator must register players  
856 and establish player accounts prior to play and must ensure that  
857 personally identifiable information is accessible to players and  
858 regulators but is otherwise secure.

859 (b) A person shall not participate in any game on the  
860 intrastate Internet poker network unless the person is  
861 registered as a player and holds an account.

862 (c) Accounts may be established in person, by mail or  
863 telephone, or by any electronic means.

864 (d) To register and establish an account, a person must  
865 provide the following registration information:

866 1. First name and surname.

867 2. Principal residence address.

868        3. Telephone number.  
 869        4. Social Security number.  
 870        5. Legal identification or certification to prove that  
 871 person is at least 21 years of age.  
 872        6. Valid email address.  
 873        7. The source of funds to be used to establish the  
 874 account once the registration process is complete.  
 875        (e) A person may only register one account.  
 876        (f) Prior to completing the registration process, the  
 877 Internet poker hub operator must explain to the person in a  
 878 conspicuous fashion the privacy policies of the Internet poker  
 879 hub, and a person must assent to the following policies:  
 880        1. No personally-identifiable information shall be shared  
 881 with any nongovernment third-parties except for licensed  
 882 subcontractors of the Internet Poker hub operator for the sole  
 883 purpose of permitting registered players to participate in  
 884 games on the Internet poker hub or upon receipt of a court  
 885 order to subpoena such information from the Internet poker hub;  
 886 and  
 887        2. All personally-identifiable information about  
 888 registered players will be shared with the division, the  
 889 Department of Law Enforcement, and any other governmental agency  
 890 who receives a court order to subpoena such information.  
 891        (g) The Internet poker hub operator may also require that  
 892 a person agree to a terms of use agreement applying to  
 893 registered players.  
 894        (h) The Internet poker hub operator shall provide a  
 895 registered player with the means to update the



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896 information provided in paragraph (c).

897 (i) The Internet poker hub operator may revoke the  
898 account of a registered play for the following reasons:

899 1. The person provided false information in the  
900 registration process;

901 2. The registered player has not updated registration  
902 information to keep it current;

903 3. The registered player has violated the Internet poker  
904 hub's terms of use agreement; or

905 4. The person has already been registered.

906 (j) The Internet poker hub operator may suspend or revoke  
907 the account of a registered player if the operator suspects the  
908 registered player has participated in illegal activity on the  
909 Internet poker hub.

910 (k) The Internet poker hub operator shall establish and  
911 maintain an account for each registered player. The Internet  
912 poker hub operator shall:

913 1. Provide a means for a registered player to put funds  
914 into an account; however a registered player shall not increase  
915 the amount in an account after a game has started and before its  
916 completion.

917 2. Maintain records on the balance of each registered  
918 player's account.

919 3. Shall not permit a registered player to place a wager  
920 unless the player's account has sufficient funds to cover the  
921 amount of the wager.

922 4. Shall not provide credit to a registered player's  
923 account or act as agent for a credit provider to facilitate the

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924 provision of funds.

925 5. Shall provide a means for a registered player to  
926 transfer money out of his or her account.

927 (1) The Internet poker hub operator must put in place  
928 other systems that provide registered players with the ability  
929 to control aspects of their play. Upon registration and at each  
930 time when a registered player logs on to the Internet poker hub,  
931 the Internet poker hub operator shall permit registered players  
932 to adjust their play settings to:

933 1. Set a limit on the deposits that can be made per day.

934 2. Set a limit on the amount that can be wagered within a  
935 specified period of time.

936 3. Set a limit on the losses that may incur within a  
937 specified period of time.

938 4. Set a limit on the amount of time that can be played  
939 after logging on to the Internet poker hub.

940 5. Prevent the Internet poker hub from allowing the  
941 registered player to play for a definite or indefinite period of  
942 time.

943 (m) During play, in order to assist a registered player to  
944 decide whether to suspend play, the registered player's  
945 screen shall indicate the following:

946 1. How long the player has been playing.

947 2. The player's winnings or losses since the time of  
948 last logging on.

949 3. Give an option to the player to end the session or return  
950 to the game.

951 4. Require the player to confirm that they have read the

952 message.

953 (18) REGISTERED PLAYER ACCOUNTS; RECORDS AND REPORTS.—

954 (a) The Internet poker hub operator must establish a book  
 955 of accounts, regularly audit all financial records, and make the  
 956 records available to the division. The Internet poker hub  
 957 operator must demonstrate that it has a system of maintaining  
 958 records and reports that are readily available to the division.  
 959 The records and reports must include the following:

960 1. Monthly auditable and aggregate financial statements of  
 961 gaming transactions.

962 2. Calculation of all fees payable to government.

963 3. The identity of players.

964 4. The balance on the player's account at the start of a  
 965 session of play.

966 5. The wagers placed on each game which are time stamped by  
 967 the games server.

968 6. The result of each game which are time stamped by the  
 969 games server.

970 7. The amount won or lost by the player.

971 8. The balance on the player's account at the end of the  
 972 game.

973 (b) The Internet poker hub operator shall reconcile all  
 974 data logs files regarding the registered players' accounts on a  
 975 monthly basis.

976 (19) INTERNET POKER HUB OPERATORS; TECHNICAL SYSTEMS  
 977 REQUIREMENTS.—

978 (a) The Internet poker hub operator must put in place  
 979 technical systems that materially aid the division in fulfilling

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980 its regulatory, consumer protection, and revenue raising  
981 functions and allow the division unrestricted access to and the  
982 right to inspect the technical systems.

983 (b) The Internet poker hub operator must ensure that the  
984 network is protected from manipulation or tampering to affect  
985 the random probabilities of winning plays.

986 (c) The Internet poker hub operator must define and  
987 document its methodology for:

988 1. The development, implementation, and maintenance of  
989 gaming software in a manner representative of industry best  
990 practice standards.

991 2. Server connectivity requirements for:

992 a. Minimum game server connectivity that ensures players  
993 are protected from losses due to connectivity problems.

994 b. The system's ability to recover all transactions  
995 involving player funds in the event of a failure or malfunction.

996 c. Aborted game procedures.

997 3. All information required for viewing a game interrupted  
998 due to loss of connectivity shall be recoverable by the system.

999 4. Consumer protection requirements.

1000 5. Responsible advertising, marketing, and promotion  
1001 that ensure that players are not misled through advertising or  
1002 promotional activities, and will ensure that the terms and  
1003 conditions of their promotions are followed.

1004 6. Anti-money laundering controls.

1005 7. Preventative and detective controls addressing money  
1006 laundering and fraud risks.

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1008 The methodologies under this paragraph shall be documented and  
 1009 implemented.

1010 (d) The Internet poker hub operator shall retain all such  
 1011 documentation for a minimum of 12 months.

1012 (20) FEE FOR PARTICIPATION.—An Internet poker hub operator  
 1013 shall charge a per hand fee or a tournament fee to registered  
 1014 players for the right to participate in authorized games or  
 1015 tournaments conducted on the intrastate Internet poker network.  
 1016 Such fee may be either a flat fee, hourly rate, or a rake  
 1017 subject to the posted maximum amount but must not be based on  
 1018 the amount won by players. The fee must be designated and  
 1019 conspicuously posted on the network prior to the start of each  
 1020 authorized game.

1021 (21) PROHIBITED RELATIONSHIPS.—

1022 (a) A person employed by or performing any function on  
 1023 behalf of the division shall not:

1024 1. Be an officer, director, owner, or employee of any  
 1025 person or entity licensed by the division; or

1026 2. Have or hold any interest, direct or indirect, in or  
 1027 engage in any commerce or business relationship with any person  
 1028 licensed by the division.

1029 (b) An employee of the division or relative living in the  
 1030 same household as such employee of the division shall not play  
 1031 at any time on the intrastate Internet poker network.

1032 (c) An occupational licensee or relative living in the  
 1033 same household as such occupational licensee shall not play at  
 1034 any time on the intrastate Internet poker network.

1035 (22) PROHIBITED ACTS; PENALTIES.—

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1036        (a) No person licensed as an Internet poker hub operator  
 1037 or cardroom affiliate may conduct any game not specifically  
 1038 authorized by this section.

1039        (b) No person under 21 years of age may be permitted to  
 1040 hold an intrastate Internet poker occupational license, or  
 1041 engage in any game conducted therein.

1042        (c) Except as otherwise provided by law and in addition to  
 1043 any other penalty, any person who knowingly makes or causes to  
 1044 be made, or aids, assists, or procures another to make, a false  
 1045 statement in any report, disclosure, application, or any other  
 1046 document required under this section or any rule adopted under  
 1047 this section is subject to an administrative fine of up to  
 1048 \$10,000.

1049        (d) All penalties imposed and collected under this section  
 1050 must be deposited into the Pari-mutuel Wagering Trust Fund of  
 1051 the Department of Business and Professional Regulation.

1052        (23) LICENSE FEES; TAXES; PENALTIES.—

1053        (a) LICENSE FEE.—

1054        1. Upon submission of the initial application for an  
 1055 Internet poker hub operator license, as prescribed by the  
 1056 division, the licensee must pay to the division a nonrefundable  
 1057 license fee of \$500,000.

1058        2. Annually thereafter, on the anniversary date of the  
 1059 issuance of the initial license, an Internet poker hub operator  
 1060 shall pay 10 percent of the monthly gross receipts derived from  
 1061 the play of intrastate Internet poker during previous state  
 1062 fiscal year.

1063        3. Upon submission of the initial application for a

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1064 cardroom affiliate license and annually thereafter, as  
 1065 prescribed by the division, the licensee must pay to the  
 1066 division a nonrefundable license fee of \$1,000 for the  
 1067 succeeding 12 months of licensure.

1068 4. The license fees shall be deposited into the Pari-  
 1069 mutuel Wagering Trust Fund of the Department of Business and  
 1070 Professional Regulation to be used by the division for  
 1071 regulation, investigations, and enforcement of intrastate  
 1072 Internet poker provisions under this chapter. These payments  
 1073 shall be accounted for separately from taxes or fees paid  
 1074 pursuant to the provisions of chapter 550, chapter 551 and s.  
 1075 849.086.

1076 (b) Each Internet poker hub operator shall pay a tax to  
 1077 the state of 20 percent of the monthly gross receipts derived  
 1078 from the play of intrastate Internet poker.

1079 (c) Payment of the gross receipts tax imposed by this  
 1080 section shall be paid to the division. All Internet poker hub  
 1081 operators and cardroom affiliates shall remit the gross receipts  
 1082 tax and licensee fees to the division to be deposited with the  
 1083 Chief Financial Officer, to the credit of the Pari-mutuel  
 1084 Wagering Trust Fund of the Department of Business and  
 1085 Professional Regulation. Such payments shall be remitted to the  
 1086 division by electronic funds transfer on the 5th day of each  
 1087 calendar month for taxes and fees imposed for the preceding  
 1088 month's intrastate Internet poker activities. Licensees shall  
 1089 file a report under oath by the 5th day of each calendar month  
 1090 for all taxes remitted during the preceding calendar month. Such  
 1091 payments shall be accompanied by a report under oath showing all

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1092 intrastate Internet poker activities for the preceding calendar  
 1093 month, and containing such other information as may be  
 1094 prescribed by the division.

1095 (d) Each cardroom affiliate shall use at least 4 percent  
 1096 of its monthly gross receipts from the play of intrastate  
 1097 Internet poker to supplement pari-mutuel purses and prize money.  
 1098 The disposition of the intrastate Internet poker supplement may  
 1099 be decided by the contractual arrangement between the cardroom  
 1100 affiliate and the associations representing the respective horse  
 1101 racing breeders and owners, greyhound racing breeders and  
 1102 owners, or jai alai players, but it must be paid during the  
 1103 pari-mutuel permitholder's next ensuing meet.

1104 (e) A licensee who fails to make tax payments as required  
 1105 under this section is subject to an administrative penalty of up  
 1106 to \$10,000 for each day the tax payment is not remitted. All  
 1107 penalties imposed and collected shall be deposited in the Pari-  
 1108 mutuel Wagering Trust Fund. If a licensee fails to pay penalties  
 1109 imposed by order of the division under this subsection, the  
 1110 division may suspend, revoke, or refuse to renew the license of  
 1111 an Internet poker hub operator or cardroom affiliate.

1112 (f) All of the moneys deposited in the Pari-mutuel  
 1113 Wagering Trust Fund, except as set forth in paragraph (h), shall  
 1114 be utilized and distributed in the manner specified in s.  
 1115 550.135(1) and (2).

1116 (24) SUSPENSION, REVOCATION, OR DENIAL OF LICENSE; FINE.-

1117 (a) The division may deny a license or the renewal  
 1118 thereof, or may suspend or revoke any license:

1119 1. When the applicant or licensee has violated or failed



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1120 to comply with the provisions of this section or any rules  
1121 adopted pursuant to this section.

1122 2. When the applicant or licensee has knowingly caused,  
1123 aided, abetted, or conspired with another to cause any person to  
1124 violate this section or any rules adopted pursuant to this  
1125 section.

1126 3. When the applicant or licensee has obtained a license  
1127 or permit by fraud, misrepresentation, or concealment.

1128 4. When the licensee is no longer eligible under this  
1129 section.

1130 (b) If a cardroom affiliate's pari-mutuel permit or  
1131 license is suspended or revoked by the division pursuant to  
1132 chapter 550, or its cardroom operator's license is suspended or  
1133 revoked by the division pursuant to s. 849.086, the division  
1134 may, but is not required to, suspend or revoke such cardroom  
1135 affiliate's license. If a cardroom affiliate's license is  
1136 suspended or revoked pursuant to this section, the division may,  
1137 but is not required to, suspend or revoke such licensee's  
1138 cardroom operator's license.

1139 (c) Notwithstanding any other provision of this section,  
1140 the division may impose an administrative fine, not to exceed  
1141 \$10,000 for each violation, on any person who has violated or  
1142 failed to comply with this section or any rules adopted pursuant  
1143 thereto.

1144 (25) PENALTIES.—The division may revoke or suspend any  
1145 Internet poker hub operator or cardroom affiliate license issued  
1146 under this section upon the willful violation by the Internet  
1147 poker hub operator licensee or the cardroom affiliate of any

1148 provision of this section or of any rule adopted under this  
 1149 section. In lieu of suspending or revoking an Internet poker hub  
 1150 operator license or a cardroom affiliate license, the division  
 1151 may impose an administrative fine that shall not exceed \$100,000  
 1152 for each count or separate offense against the Internet poker  
 1153 hub operator or cardroom affiliate for a violation of this  
 1154 section or any rule adopted by the division. All penalties  
 1155 imposed and collected must be deposited into the Pari-mutuel  
 1156 Wagering Trust Fund of the Department of Business and  
 1157 Professional Regulation.

1158 (26) RULEMAKING.—The division may adopt rules pursuant to  
 1159 ss. 120.536(1) and 120.54 to administer the provisions of this  
 1160 chapter.

1161 (27) LEGISLATIVE AUTHORITY; ADMINISTRATION OF SECTION.—The  
 1162 Legislature finds and declares that it has exclusive authority  
 1163 over the conduct of intrastate Internet poker in this state. As  
 1164 provided by law, only the Division of Pari-mutuel Wagering and  
 1165 other authorized state agencies shall administer this section  
 1166 and regulate the intrastate Internet poker industry in the  
 1167 state, including operation of Internet poker hub operators and  
 1168 cardroom affiliates, the play of authorized games, and the  
 1169 Internet poker computer systems authorized in this section and  
 1170 the rules adopted by the division.

1171 Section 3. This act shall take effect July 1, 2010.