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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/16/2011	.	
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The Committee on Regulated Industries (Diaz de la Portilla) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause and insert:

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

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

849.087 Intrastate Internet poker authorized.—

(1) LEGISLATIVE INTENT.—It is the intent of the Legislature to create a framework for the state to regulate intrastate Internet poker which can ensure consumer protections and



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13 additional revenue to the state by authorizing, implementing,  
14 and creating a licensing and regulatory structure and system of  
15 intrastate Internet poker to:

16 (a) Provide that intrastate Internet poker is offered for  
17 play only in a manner that is lawful under the federal Unlawful  
18 Internet Gambling Enforcement Act of 2006.

19 (b) Provide a new source of revenue that will generate  
20 additional positive economic benefits to the state through the  
21 authorization of lawful and regulated intrastate Internet poker  
22 in Florida instead of flowing offshore to unregulated foreign  
23 operators and markets.

24 (c) Create a contractual relationship with one or more  
25 Internet poker hub operators having the technical expertise to  
26 ensure that wagering authorized by this section is offered only  
27 to registered players who are at least 18 years of age and  
28 physically present within the borders of this state at the time  
29 of play.

30 (d) Provide for a competitive procurement process to select  
31 one or more Internet poker hub operators that are qualified to  
32 be licensed by the state and meet all statutory, regulatory, and  
33 contractual requirements of the state while protecting  
34 registered poker players.

35 (e) Provide for a licensed cardroom operator to become a  
36 licensed provider of intrastate Internet poker through Internet  
37 poker hub operators.

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

40 (g) Create a system to protect each registered poker  
41 player's private information and prevent fraud and identity



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42 theft and ensure that the player's financial transactions are  
43 processed in a secure and transparent fashion.

44 (h) Ensure that the regulatory agency has unlimited access  
45 to the premises and records of the Internet poker hub operators  
46 and cardroom affiliates to ensure strict compliance with its  
47 regulations concerning credit authorization, account access, and  
48 other security provisions.

49 (i) Require the Internet poker hub operators to provide  
50 accessible customer service to registered poker players.

51 (j) Require the Internet poker hub operator's Internet site  
52 to contain information relating to problem gambling, including a  
53 telephone number that an individual may call to seek information  
54 and assistance for a potential gambling addiction.

55 (2) DEFINITIONS.—Unless otherwise clearly required by the  
56 context, as used in this section:

57 (a) "Authorized game" means a game or series of games of  
58 poker, which may include tournaments, which are played in a  
59 nonbanking manner on a state Internet poker network.

60 (b) "Cardroom affiliate" means a licensed cardroom operator  
61 as defined in s. 849.086 who maintains an Internet site as a  
62 portal into a state Internet poker network.

63 (c) "Convicted" means having been found guilty, regardless  
64 of adjudication, as a result of a jury verdict, nonjury trial,  
65 or entry of a plea of guilty or nolo contendere.

66 (d) "Department" means the Department of Business and  
67 Professional Regulation.

68 (e) "Division" means the Division of Pari-mutuel Wagering  
69 of the department.

70 (f) "Gross receipts" means the total amount of money



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71 received by an Internet poker hub operator from registered  
72 players for participation in authorized games.

73 (g) "Internet poker hub operator" or "poker hub operator"  
74 means a computer system operator that is licensed by the state  
75 and contracts with the state to operate a state Internet poker  
76 network.

77 (h) "Intrastate Internet poker" means authorized games of  
78 poker played over the Internet by registered players who are  
79 physically present within the borders of this state at the time  
80 of play.

81 (i) "Liquidity" means the total number of registered  
82 players available in a state Internet poker network.

83 (j) "Nonbanking game" means an authorized game in which an  
84 Internet poker hub operator or cardroom affiliate is not a  
85 participant and has no financial stake in the outcome of the  
86 authorized game.

87 (k) "Player incentives" means any bonuses, rewards, prizes,  
88 or other types of promotional items provided to a registered  
89 player by an Internet poker hub operator or cardroom affiliate  
90 as an incentive to begin or continue playing on a state Internet  
91 poker network.

92 (l) "Rake" means a set fee or percentage of the pot  
93 assessed by an Internet poker hub operator for providing the  
94 Internet poker services to registered players for the right to  
95 participate in an authorized game conducted by the poker hub  
96 operator.

97 (m) "Registered player" means a person who is registered  
98 with a poker hub operator under this section to participate in  
99 an authorized game conducted on a state Internet poker network.



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100       (n) "State Internet poker network" means a computer system  
101 operated by one or more Internet poker hub operators which  
102 authorizes the playing of and wagering on intrastate Internet  
103 poker by registered players through the website portals of  
104 cardroom affiliates.

105       (o) "Tournament fee" means a set fee assessed to registered  
106 players by an Internet poker hub operator for providing the  
107 Internet poker tournament services.

108       (3) INTRASTATE INTERNET POKER AUTHORIZED.—

109       (a) Under the Unlawful Internet Gambling Enforcement Act of  
110 2006, a state is not precluded from regulating and conducting  
111 intrastate Internet poker as long as all players and the online  
112 wagering activities are located within the state.

113       (b) Notwithstanding any other provision of law, a person in  
114 Florida may participate as a registered player in an authorized  
115 game or tournament provided on a state Internet poker network by  
116 a licensed cardroom affiliate or may operate a state Internet  
117 poker network as a licensed Internet poker hub operator if such  
118 game and poker operations are conducted strictly in accordance  
119 with the provisions of this section and federal law.

120       (4) AUTHORITY OF DIVISION.—The division shall administer  
121 this section and regulate the operation of a state Internet  
122 poker network, the Internet poker hub operators, the cardroom  
123 affiliates, and the play of intrastate Internet poker under this  
124 section and the rules adopted pursuant to this section, and is  
125 authorized to:

126       (a) Adopt rules related to Internet poker, including, but  
127 not limited to, rules governing the issuance of operator and  
128 individual occupational licenses to Internet poker hub



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129 operators, cardroom affiliates, and their employees; operation  
130 of a state Internet poker network and technical system  
131 requirements; security of the financial information of  
132 registered players and registered player accounts; bonuses,  
133 awards, promotions, and other incentives to registered players;  
134 recordkeeping and reporting requirements; the distribution of  
135 Internet poker income; and the imposition and collection of all  
136 fees and taxes imposed by this section.

137 (b) Conduct investigations and monitor operation of a state  
138 Internet poker network and the playing of authorized games on a  
139 network.

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

142 (d) Suspend or revoke any license, after a hearing, for any  
143 violation of this section or the rules adopted pursuant to this  
144 section.

145 (e) Take testimony, issue summons and subpoenas for any  
146 witness, and issue subpoenas duces tecum in connection with any  
147 matter within its jurisdiction.

148 (f) Monitor and ensure proper collection of taxes and fees  
149 imposed by this section. The division shall monitor, audit, and  
150 verify the cash flow and accounting of a state Internet poker  
151 network revenue for any given operating day.

152 (g) Monitor and ensure that the playing of Internet poker  
153 is conducted fairly and that all personal and financial  
154 information provided by registered players is protected by the  
155 Internet poker hub operators.

156 (5) INTERNET POKER HUB OPERATOR LICENSE REQUIRED;  
157 APPLICATION.—A person may not operate as an Internet poker hub



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158 operator in this state unless the person holds a valid Internet  
159 poker hub operator license issued under this section.

160 (a) Only a person holding a valid Internet poker hub  
161 operator license issued by the division may provide intrastate  
162 Internet poker for play to registered players.

163 (b) An Internet poker hub operator must be an entity  
164 authorized to conduct business in this state.

165 (c) A person seeking a license or renewal of a license to  
166 operate as an Internet poker hub operator shall make application  
167 on forms prescribed by the division. Applications for Internet  
168 poker hub operator licenses shall contain all of the information  
169 the division, by rule, determines is required to ensure  
170 eligibility under this section.

171 (d) As a condition of licensure and to maintain continued  
172 authority to conduct intrastate Internet poker, an Internet  
173 poker hub operator licensee must provide the documentation  
174 required under this section on a timely basis to the division  
175 and the documentation must be appropriate, current, and  
176 accurate. A change in ownership or interest of an Internet poker  
177 hub operator licensee of 5 percent or more of the stock or other  
178 evidence of ownership or equity in an Internet poker hub  
179 operator licensee or any parent corporation or other business  
180 entity that in any way owns or controls an Internet poker hub  
181 operator licensee must be approved by the division before the  
182 change, unless the owner is an existing holder of the license  
183 who was previously approved by the division. A change in  
184 ownership or interest of less than 5 percent which results in a  
185 cumulative ownership or interest of 5 percent or more must be  
186 approved by the division before the change, unless the owner is



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187 an existing holder of the license who was previously approved by  
188 the division. The division may then conduct an investigation to  
189 ensure that the license is properly updated to show the change  
190 in ownership or interest. Reporting is not required under this  
191 paragraph if the person is holding 5 percent or less of the  
192 equity or securities of a corporate owner of an Internet poker  
193 hub operator licensee that has its securities registered  
194 pursuant to s. 12 of the Securities Exchange Act of 1934, 15  
195 U.S.C. ss. 78a-78kk, and if the corporation or entity files with  
196 the United States Securities and Exchange Commission the reports  
197 required by s. 13 of that act or if the securities of the  
198 corporation or entity are regularly traded on an established  
199 securities market in the United States.

200 (e) Any applicant and each licensee shall pay all fees as  
201 required in subsections (24) and (25).

202 (6) SELECTION OF AN INTERNET POKER HUB OPERATOR BY  
203 COMPETITIVE PROCUREMENT PROCESS; EVALUATION.-

204 (a) The division shall, subject to a competitive  
205 procurement process, select no more than three Internet poker  
206 hub operator applicants that meet the licensure and technical  
207 requirements and expertise to provide services for lawful  
208 intrastate Internet poker games in Florida. The applicants must  
209 demonstrate the ability to ensure that intrastate Internet poker  
210 is offered only to registered players who are at least 18 years  
211 of age and who are physically present within the borders of this  
212 state at the time of play.

213 (b) After each year of operation of intrastate Internet  
214 poker, the division shall review and evaluate the current level  
215 of liquidity in the state Internet poker network to determine if



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216 there is a need to license additional Internet poker hub  
217 operators, if the maximum number of Internet poker hub operators  
218 has not already been authorized. If the division finds there is  
219 sufficient evidence to support licensing additional Internet  
220 poker hub operators, then the division may select additional  
221 Internet poker hub operators pursuant to this subsection and the  
222 qualifications specified in subsection (7). Notwithstanding the  
223 power to license additional Internet poker hub operators under  
224 this paragraph, only three Internet poker hub operators may be  
225 licensed at any one time in the state.

226 (7) QUALIFICATIONS FOR AN INTERNET POKER HUB OPERATOR.—For  
227 the purposes of this section, the division shall consider all of  
228 the following as minimum qualifications to determine whether an  
229 Internet poker hub operator applicant or any subcontractor  
230 included in the hub operator applicant's state application is  
231 legally, technically, and financially qualified to become the  
232 state's Internet poker hub operator:

233 (a) The applicant is an entity authorized to conduct  
234 business in this state.

235 (b) The applicant has not accepted any wager of money or  
236 other consideration on any online gambling activity, including  
237 poker, from any Florida resident since October 13, 2006.

238 However, this paragraph does not disqualify an applicant or  
239 subcontractor who accepts online pari-mutuel wagers from any  
240 Florida resident through a legal online pari-mutuel wagering  
241 entity authorized in another state.

242 (c) The applicant's executives and key employees meet the  
243 requirements to obtain intrastate Internet poker occupational  
244 licenses from the division, as set forth in subsection (12).



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245       (d) The applicant has existing and established experience  
246 with Internet gaming, or is licensed to conduct Internet gaming  
247 activities, in one or more jurisdictions anywhere in the world  
248 where Internet gaming is legal and regulated.

249       (e) The applicant and all entities with an ownership  
250 interest in the applicant have demonstrated compliance with all  
251 federal and state laws in the jurisdictions in which they  
252 provide services.

253       (f) The applicant has provided all necessary documentation  
254 and information relating to all proposed subcontractors of the  
255 applicant.

256       (g) The applicant has provided a description of how it will  
257 facilitate compliance with all of the standards set forth in  
258 this section, including, but not limited to, those for:

259       1. Registered player processes and requirements relating to  
260 intrastate play, age verification, and exclusion of problem  
261 gamblers.

262       2. Network system requirements, including, but not limited  
263 to, connectivity, hardware, software, anti-fraud systems, virus  
264 prevention, data protection, access controls, firewalls,  
265 disaster recovery, and redundancy.

266       3. Gaming systems, including, but not limited to, hardware  
267 and software that ensures that: games are legal, games are  
268 independent and fair, game and betting rules are available to  
269 all registered players, and all data used for the conduct of  
270 each game are randomly generated and unpredictable.

271       4. Ongoing auditing by the division and accounting systems,  
272 including, but not limited to, those for registered player  
273 accounts, participation fees, distribution of funds to



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274 registered players, and distribution of revenue to the state.

275 (h) The applicant has provided all other documentation or  
276 information that the division, by rule, has determined is  
277 required to ensure that the applicant is legally, technically,  
278 and financially qualified to enter into a contract to become the  
279 state's Internet poker hub operator.

280 (8) SUBMISSION OF THE APPLICATION FOR AN INTERNET POKER HUB  
281 OPERATOR.—In addition to demonstrating that the applicant is  
282 legally, technically, and financially qualified to become an  
283 Internet poker hub operator in the state, the applicant must  
284 describe how it will fulfill the contractual role envisaged by  
285 this section. The applicant shall provide all of the following:

286 (a) All necessary documentation and information relating to  
287 the applicant and its direct and indirect owners, including, but  
288 not limited to:

289 1. Documentation that the entity is authorized to conduct  
290 business in this state and other founding documents.

291 2. Current and historical audited financial and accounting  
292 records.

293 3. Any and all documents relating to legal and regulatory  
294 proceedings in this state and other jurisdictions involving the  
295 applicant.

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

298 5. Any and all documents relating to the nature and sources  
299 of the applicant's financing.

300 6. Any and all documentation that demonstrates that the  
301 applicant is financially qualified to perform the obligations of  
302 an Internet poker hub operator as described in this section.



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303           7. Any other documentation or information that the  
304 division, by rule, determines is required to ensure eligibility.

305           (b) All necessary documentation and information relating to  
306 any of the subcontractors of the Internet poker hub operator  
307 applicant, including, but not limited to:

308           1. A description of the services to be provided by each  
309 subcontractor.

310           2. Information for each subcontractor as set forth in this  
311 section.

312           3. Any other documentation or information that the  
313 division, by rule, determines is required to ensure eligibility.

314           (c) A description as to how the applicant will facilitate  
315 compliance with all of the standards set forth in this section,  
316 including, but not limited to, those for:

317           1. Registered player requirements relating to:

318           a. Intrastate play.

319           b. Age verification.

320           c. Exclusion of problem gamblers.

321           2. Network system requirements, including, but not limited  
322 to:

323           a. Connectivity.

324           b. Hardware.

325           c. Software.

326           d. Anti-fraud systems.

327           e. Virus prevention.

328           f. Data protection.

329           g. Access controls.

330           h. Firewalls.

331           i. Disaster recovery.



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332           j. Redundancy.  
333           3. Gaming systems, including, but not limited to, hardware  
334 and software that ensures that:  
335           a. Games are legal.  
336           b. Games are independent and fair.  
337           c. Game and betting rules are available to all registered  
338 players.  
339           d. All data used for the conduct of each game are randomly  
340 generated and unpredictable.  
341           4. Accounting systems, including, but not limited to, those  
342 for:  
343           a. Registered player accounts.  
344           b. Participation fees.  
345           c. Transparency and reporting to the division.  
346           d. Distribution of revenue to the state, funds pursuant to  
347 contract, and funds to registered players.  
348           e. Ongoing auditing.  
349           (d) A description of the games and services the applicant  
350 proposes to offer to registered players.  
351           (e) A description by the applicant of how it will ensure  
352 that registered players are at least 18 years of age or older  
353 and facilitate registered player protections and resolution of  
354 player disputes.  
355           (f) Upon submission of the initial application and  
356 proposal, the applicant shall pay all fees required in  
357 subsections (23) and (24).  
358           (9) ANNUAL BOND REQUIRED.—The holder of a license to be an  
359 Internet poker hub operator in the state shall be financially  
360 and otherwise responsible for the operation of a state Internet



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361 poker network and for the conduct of any employee involved in  
362 the operation of the online poker network. Before the issuance  
363 of an Internet poker hub operator license, each qualified  
364 applicant for such a license must provide evidence of a surety  
365 bond in the amount of \$1 million, payable to the state, for each  
366 year that the licensee is licensed to be an Internet poker hub  
367 operator in the state. The bond shall be issued by a surety or  
368 sureties authorized to do business in the state and approved by  
369 the division and the Chief Financial Officer in his or her  
370 capacity as treasurer of the division. The bond shall guarantee  
371 that an Internet poker hub operator fulfills all financial  
372 requirements of the contract. Such bond shall be kept in full  
373 force and effect by an Internet poker hub operator during the  
374 term of the license.

375 (10) CONTRACTUAL RELATIONSHIP; RIGHT TO TERMINATE  
376 CONTRACT.—An Internet poker hub operator shall comply with the  
377 terms of its contract with the state and this section.

378 (a) The accepted proposal agreed to by the division and an  
379 Internet poker hub operator shall constitute the contract  
380 between the state and the Internet poker hub operator.

381 (b) The contract between the state and an Internet poker  
382 hub operator is for a 5-year period and may be renewed for a  
383 period equal to the original contract, if agreed to by both  
384 parties.

385 (c) The contract between the state and an Internet poker  
386 hub operator may be amended by mutual written agreement of the  
387 division and the Internet poker hub operator.

388 (d) If this section is amended in such a way that affects  
389 the play of intrastate Internet poker or affects the operation



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390 of intrasate Internet poker by the licensed Internet poker hub  
391 operators contrary to the existing contract with the state, an  
392 Internet poker hub operator may declare the contract null and  
393 void within 90 days after the effective date of the amendment  
394 and must provide at least 60 days prior written notice to the  
395 division of such intent. Failure to provide notice of such  
396 intent to declare the contract null and void within 60 days of  
397 the effective date of any amendment to this section constitutes  
398 an agreement to be bound by the amendments adopted after the  
399 terms of the contract are established.

400 (e) In the event of commercial infeasibility due to a  
401 change in federal law rendering the provision of intrastate  
402 poker services illegal, an Internet poker hub operator or the  
403 division may abandon the contract after providing the other  
404 party with at least 90 days' written notice of its intent to end  
405 the contract and a statement explaining its interpretation that  
406 continuing to provide services under the contract is  
407 commercially infeasible.

408 (f) If a dispute arises between the parties to the  
409 contract, either the division or the Internet poker hub operator  
410 may go through an administrative law or circuit court for an  
411 initial interpretation of the contract and the rights and  
412 responsibilities in the contract.

413 (11) CARDROOM AFFILIATE LICENSE REQUIRED; APPLICATION;  
414 FEES.—A cardroom affiliate license may only be issued or renewed  
415 to a cardroom operator who is licensed under s. 849.086,  
416 actively operates a cardroom with a minimum of 10 licensed  
417 tables, and complies with all the requirements of s. 849.086 and  
418 the rules adopted pursuant to that section.



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

422       (b) Prior to providing intrastate Internet poker for play  
423 to registered players, a cardroom affiliate licensee must have  
424 entered into a contractual relationship with a licensed Internet  
425 poker hub operator to offer the play of Internet poker. A copy  
426 of the contract must be on file with the division.

427       (c) After the initial cardroom affiliate license is  
428 granted, the annual application for the renewal of that license  
429 shall be made in conjunction with the applicant's annual  
430 application for its cardroom and pari-mutuel licenses under s.  
431 849.086 and chapter 550, respectively.

432       (d) A person seeking a license or renewal of a license to  
433 operate as a cardroom affiliate shall make the application on  
434 forms prescribed by the division. An application for a cardroom  
435 affiliate license shall contain all of the information the  
436 division, by rule, determines is required to ensure eligibility.

437       (e) As a condition of licensure and to maintain continued  
438 authority for the conduct of intrastate Internet poker, the  
439 cardroom affiliate licensee must provide the documentation  
440 required under this section on a timely basis to the division  
441 and the documentation must be appropriate, current, and  
442 accurate.

443       (f) As a condition of eligibility for license renewal, a  
444 cardroom affiliate must have, as either an individual or as part  
445 of a coalition as allowed in subsection (26) (d), an active and  
446 operating portal, must have a current contract on file with the  
447 division, and must have contributed at least 1 percent of the



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448 total revenue generated from the play of intrastate Internet  
449 poker through the Internet poker hub the cardroom affiliate has  
450 contracted with from the previous state fiscal year, as  
451 determined by the division.

452 (g) The annual cardroom affiliate license fee shall be  
453 \$1,000 as referenced in subsection (23) (c).

454 (h) The division shall adopt rules regarding cardroom  
455 affiliate licenses and renewals.

456 (12) BUSINESS AND EMPLOYEE OCCUPATIONAL LICENSE REQUIRED;  
457 APPLICATION; FEES.-

458 (a) A person employed by or otherwise working for an  
459 Internet poker hub operator or a cardroom affiliate in any  
460 capacity related to and while conducting intrastate Internet  
461 poker operations must hold a valid occupational license issued  
462 by the division.

463 (b) An Internet poker hub operator or a cardroom affiliate  
464 may not employ or allow to be employed any person in any  
465 capacity related to the operation of intrastate Internet poker  
466 unless the person holds a valid occupational license.

467 (c) An Internet poker hub operator or cardroom affiliate  
468 may not contract with, or otherwise do business with, a business  
469 required to hold a valid intrastate Internet poker business  
470 occupational license, unless the business holds such a valid  
471 license.

472 (d) A proprietorship, partnership, corporation,  
473 subcontractor, or other entity must obtain a valid intrastate  
474 Internet poker business occupational license issued by the  
475 division to partner with, contract with, be associated with, or  
476 participate in the conduct of intrastate Internet poker



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477 operations with an Internet poker hub operator or a cardroom  
478 affiliate.

479 (e) The division shall establish, by rule, a schedule for  
480 the annual renewal of Internet poker hub operator and cardroom  
481 affiliate occupational licenses. Intrastate Internet poker  
482 occupational licenses are not transferable.

483 (f) A person seeking an intrastate Internet poker  
484 occupational license, or renewal of such a license, shall make  
485 the application on forms prescribed by the division and include  
486 payment of the appropriate application fee. An application for  
487 an intrastate Internet poker occupational license shall contain  
488 all of the information the division, by rule, determines is  
489 required to ensure eligibility under this section.

490 (g) The division shall adopt rules regarding intrastate  
491 Internet poker occupational licenses and renewals.

492 (h) An intrastate Internet poker occupational license is  
493 valid for the same term as a pari-mutuel occupational license  
494 issued under s. 550.105(1).

495 (i) Pursuant to rules adopted by the division, any person  
496 may apply for and, if qualified, be issued an intrastate  
497 Internet poker occupational license valid for a period of 3  
498 years upon payment of the full occupational license fee for each  
499 of the 3 years for which the license is issued. The intrastate  
500 Internet poker occupational license is valid during its  
501 specified term at any Internet poker hub operator or a cardroom  
502 affiliate where intrastate Internet poker is authorized to be  
503 conducted.

504 (j) The intrastate Internet poker occupational license fee  
505 for initial application and annual renewal shall be determined



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506 by rule of the division but may not exceed \$50 for an  
507 occupational license for an employee of an Internet poker hub  
508 operator or a cardroom affiliate licensee or \$1,000 for a  
509 business occupational license for nonemployees of the licensee  
510 providing goods or services to an Internet poker hub operator or  
511 a cardroom affiliate occupational licensee. Failure to pay the  
512 required fee constitutes grounds for disciplinary action by the  
513 division against an Internet poker hub operator or a cardroom  
514 affiliate occupational licensee.

515 (k) A person holding a valid individual cardroom  
516 occupational license issued by the division under s. 849.086(6)  
517 is not required to obtain an individual employee occupational  
518 license under this subsection.

519 (13) BUSINESS AND EMPLOYEE OCCUPATIONAL LICENSE DENIAL,  
520 REVOCATION, SUSPENSION, LIMITATION, OR NONRENEWAL.—The division  
521 may:

522 (a) Deny an application for, or revoke, suspend, or place  
523 conditions or restrictions on, a license of a person or entity  
524 that has been refused a license by any other state gaming  
525 commission, governmental department, agency, or other authority  
526 exercising regulatory jurisdiction over the gaming of another  
527 state or jurisdiction.

528 (b) Deny an application for, or suspend or place conditions  
529 or restrictions on, a license of any person or entity that is  
530 under suspension or has unpaid fines in another state or  
531 jurisdiction.

532 (c) Deny, suspend, revoke, or refuse to renew any Internet  
533 poker hub operator or cardroom affiliate occupational license if  
534 the applicant for the license or the licensee has violated this



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535 section or the rules of the division governing the conduct of  
536 persons connected with the play of intrastate Internet poker.

537 (d) Deny, suspend, revoke, or refuse to renew any Internet  
538 poker hub operator or cardroom affiliate occupational license if  
539 the applicant for the license or the licensee has been convicted  
540 in this state, in any other state, or under the laws of the  
541 United States of a capital felony, a felony, or an offense in  
542 any other state that would be a felony under the laws of this  
543 state involving arson; trafficking in, conspiracy to traffic in,  
544 smuggling, importing, conspiracy to smuggle or import, or  
545 delivery, sale, or distribution of a controlled substance;  
546 racketeering; or a crime involving a lack of good moral  
547 character, or has had a gaming license revoked by this state or  
548 any other jurisdiction for any gaming-related offense.

549 (e) Deny, revoke, or refuse to renew any Internet poker hub  
550 operator or cardroom affiliate occupational license if the  
551 applicant for the license or the licensee has been convicted of  
552 a felony or misdemeanor in this state, in any other state, or  
553 under the laws of the United States if such felony or  
554 misdemeanor is related to gambling or bookmaking as described in  
555 s. 849.25.

556 (14) BUSINESS AND EMPLOYEE OCCUPATIONAL LICENSE;  
557 FINGERPRINTS; FEES; CITATIONS.-

558 (a) A person employed by or working with an Internet poker  
559 hub operator or a cardroom affiliate must submit fingerprints  
560 for a criminal history record check and may not have been  
561 convicted of any disqualifying criminal offense specified in  
562 subsection (7). Division employees and law enforcement officers  
563 assigned by their employing agencies to work within the premises



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564 as part of their official duties are excluded from the criminal  
565 history record check requirements under this subsection.

566 (b) Fingerprints for all intrastate Internet poker  
567 occupational license applications shall be taken in a manner  
568 approved by the division upon initial application, or as  
569 required thereafter by rule of the division, and shall be  
570 submitted electronically to the Department of Law Enforcement  
571 for state processing. The Department of Law Enforcement shall  
572 forward the fingerprints to the Federal Bureau of Investigation  
573 for national processing. The results of the criminal history  
574 record check shall be returned to the division for purposes of  
575 screening. The division requirements under this subsection shall  
576 be instituted in consultation with the Department of Law  
577 Enforcement.

578 (c) The cost of processing fingerprints and conducting a  
579 criminal history record check for an intrastate Internet poker  
580 occupational license shall be borne by the person being checked.  
581 The Department of Law Enforcement may invoice the division for  
582 the fingerprints submitted each month.

583 (d) All fingerprints submitted to the Department of Law  
584 Enforcement and required by this section shall be retained by  
585 the Department of Law Enforcement and entered into the statewide  
586 automated fingerprint identification system as authorized by s.  
587 943.05(2)(b) and shall be available for all purposes and uses  
588 authorized for arrest fingerprint cards entered into the  
589 statewide automated fingerprint identification system under s.  
590 943.051.

591 (e) The Department of Law Enforcement shall search all  
592 arrest fingerprints received under s. 943.051 against the



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593 fingerprints retained in the statewide automated fingerprint  
594 identification system. Any arrest record that is identified with  
595 the retained fingerprints of a person subject to the criminal  
596 history screening requirements of this section shall be reported  
597 to the division. Each licensed facility shall pay a fee to the  
598 division for the cost of retention of the fingerprints and the  
599 ongoing searches under this paragraph. The division shall  
600 forward the payment to the Department of Law Enforcement. The  
601 amount of the fee to be imposed for performing these searches  
602 and the procedures for the retention of licensee fingerprints  
603 shall be as established by rule of the Department of Law  
604 Enforcement. The division shall inform the Department of Law  
605 Enforcement of any change in the license status of licensees  
606 whose fingerprints are retained under paragraph (d).

607 (f) The division shall request the Department of Law  
608 Enforcement to forward the fingerprints to the Federal Bureau of  
609 Investigation for a national criminal history records check  
610 every 3 years following issuance of a license. If the  
611 fingerprints of a person who is licensed have not been retained  
612 by the Department of Law Enforcement, the person must file a  
613 complete set of fingerprints as provided for in paragraph (a).  
614 The division shall collect the fees for the cost of the national  
615 criminal history record check under this paragraph and shall  
616 forward the payment to the Department of Law Enforcement. The  
617 cost of processing fingerprints and conducting a criminal  
618 history record check under this paragraph for an intrastate  
619 Internet poker occupational license shall be borne by the person  
620 being checked. The Department of Law Enforcement may invoice the  
621 division for the fingerprints submitted each month. Under



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622 penalty of perjury, each person who is licensed or who is  
623 fingerprinted as required by this subsection must agree to  
624 inform the division within 48 hours if he or she is convicted of  
625 or has entered a plea of guilty or nolo contendere to any  
626 disqualifying offense, regardless of adjudication.

627 (g) All moneys collected under this subsection shall be  
628 deposited into the Pari-mutuel Wagering Trust Fund.

629 (h) The division may deny, revoke, or suspend any  
630 occupational license if the applicant or holder of the license  
631 accumulates unpaid obligations, defaults in obligations, or  
632 issues drafts or checks that are dishonored or for which payment  
633 is refused without reasonable cause.

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

638 (j) The division may impose a civil fine of up to \$10,000  
639 for each violation of this section or the rules of the division  
640 in addition to or in lieu of any other penalty provided for in  
641 this subsection. The division may adopt a penalty schedule for  
642 violations of this section or any rule adopted pursuant to this  
643 section for which it would impose a fine in lieu of a suspension  
644 and adopt rules allowing for the issuance of citations,  
645 including procedures to address such citations, to persons who  
646 violate such rules. In addition to any other penalty provided by  
647 law, the division may exclude from all licensed pari-mutuel,  
648 cardroom, and slot machine facilities in this state, for a  
649 period not to exceed the period of suspension, revocation, or  
650 ineligibility, any person whose occupational license application



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651 has been declared ineligible to hold an occupational license or  
652 whose occupational license has been suspended or revoked by the  
653 division.

654 (15) INTRASTATE INTERNET POKER; AUTHORIZED GAMES.—

655 (a) In order to offer a specific game of poker for play, an  
656 Internet poker hub operator shall provide the division with:

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

659 2. Documentation relating to development and testing of the  
660 game's software.

661 (b) Upon submission of the information required in  
662 paragraph (a), an Internet poker hub operator may begin offering  
663 the game. If the division does not object to the proposed game  
664 of poker within 30 days after receipt of the submission, the  
665 game will be considered authorized and the Internet poker hub  
666 operator submitting the proposal may continue to offer the game  
667 to registered players.

668 (c) Games and betting events shall be operated strictly in  
669 accordance with the specified game and betting rules.

670 (d) An Internet poker hub operator shall ensure that the  
671 authorized games of poker are fair. For each proposed or  
672 authorized game offered for play, the gaming system shall  
673 display the following information:

674 1. The name of the game.

675 2. Any restrictions on play.

676 3. The rules of the game.

677 4. All instructions on how to play.

678 5. The unit and total bets permitted.

679 6. The registered player's current account balance, which



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680 shall be updated in real time.

681 7. Any other information that an Internet poker hub  
682 operator determines is necessary for the registered player to  
683 have in real time to compete fairly in the proposed or  
684 authorized game.

685 (e) All proposed and authorized game results shall be  
686 conducted in such a fashion that:

687 1. Data used to create results shall be unpredictable such  
688 that it is infeasible to predict the next occurrence in a game,  
689 given complete knowledge of the algorithm or hardware generating  
690 the sequence, and all previously generated numbers.

691 2. The game or any game event outcome shall not be affected  
692 by the effective bandwidth, link utilization, bit error rate, or  
693 other characteristic of the communications channel between the  
694 gaming system and the playing device used by the player.

695 (f) An Internet poker hub operator shall deploy controls  
696 and technology to ensure the ability to minimize fraud or  
697 cheating through collusion, such as external exchange of  
698 information between different players, or any other means.

699 1. If an Internet poker hub operator becomes aware that  
700 fraud or cheating is taking place or has taken place, it shall  
701 immediately take steps to stop such activities and inform the  
702 division of all relevant facts.

703 2. An Internet poker hub operator shall immediately inform  
704 the division of any complaints of fraud or collusion and shall  
705 investigate whether the complaints are true and shall  
706 expeditiously act to prevent further fraud or collusion from  
707 taking place on the Internet poker hub. An Internet poker hub  
708 operator shall report the results of the investigation in



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709 writing to the division within 24 hours after the complaint and  
710 shall continue to report every 24 hours until its investigation  
711 is concluded. This paragraph does not prevent the division from  
712 conducting an independent investigation or initiating an  
713 administrative action to protect registered players from fraud  
714 and collusion on the Internet poker hub site and does not  
715 prohibit a registered player, the Internet poker hub operator, a  
716 cardroom affiliate, or the division from reporting suspected  
717 criminal activities to law enforcement officials.

718 3. A registered player may not bring an action for damages  
719 against an Internet poker hub operator for preventing fraud or  
720 cheating or attempting to prevent fraud or cheating if the  
721 Internet poker hub operator can demonstrate that it acted to  
722 prevent such actions as soon as it became aware of them.

723 (g) If the gaming server or software does not allow a game  
724 to be completed, the hand shall be voided and all funds relating  
725 to the incomplete hand shall be returned to the registered  
726 player's account.

727 (16) REGISTERED PLAYERS; ELIGIBILITY.-

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

730 (b) A person who has not attained 18 years of age may not  
731 be a registered player or play intrastate Internet poker.

732 (c) All Internet poker hub operators and cardroom  
733 affiliates shall exclude from play any person who has submitted  
734 a completed Internet Poker Self-Exclusion Form.

735 1. All Internet poker hub operators and cardroom affiliates  
736 shall have an Internet Poker Self-Exclusion Form available  
737 online and accessible on the Internet page that is displayed



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738 when:

739 a. A person opens the Internet page to register as a  
740 registered player; or

741 b. A registered player accesses the first page of the  
742 Internet page prior to playing.

743 2. Upon receipt of a completed Internet Poker Self-  
744 Exclusion Form, an Internet poker hub operator or cardroom  
745 affiliate shall immediately provide a copy of the completed form  
746 to each Internet poker hub operator, each cardroom affiliate,  
747 and the division. The division shall ensure that all other  
748 cardroom affiliates exclude the person from the play of  
749 intrastate Internet poker.

750 3. Each Internet poker hub operator and cardroom affiliate  
751 shall retain the original form to identify persons who request  
752 to be excluded from play.

753 4. Each Internet poker hub operator and cardroom affiliate  
754 shall prominently display a link to the website of a responsible  
755 gaming organization that is under contract with the division  
756 pursuant to s. 551.118(2) for services related to the prevention  
757 of compulsive and addictive gambling.

758 5. A person may not bring any action against an Internet  
759 poker hub operator or a cardroom affiliate for negligence or any  
760 other claim if a person who has filled out an Internet Poker  
761 Self-Exclusion Form gains access and plays despite the request  
762 to be excluded.

763 (17) REGISTERED PLAYER ACCOUNTS.—

764 (a) An Internet poker hub operator shall register players  
765 and establish registered player accounts prior to play and shall  
766 ensure that the player's personally identifiable information is



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767 accessible to the player and regulators but is otherwise secure.

768 (b) A person may not participate in any game on a state  
769 Internet poker network unless the person is registered as a  
770 player and holds an account.

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

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

775 1. First name and surname.

776 2. Principal residence address.

777 3. Telephone number.

778 4. Social security number.

779 5. Legal identification or certification to prove that the  
780 person is at least 18 years of age.

781 6. Valid email address.

782 7. The source of funds to be used to establish the account  
783 after the registration process is complete.

784 (e) Prior to completing the registration process, an  
785 Internet poker hub operator shall explain to the person in a  
786 conspicuous fashion the privacy policies of the Internet poker  
787 hub, and the person must assent to the following policies:

788 1. Personal identifying information will not be shared with  
789 any nongovernment third parties except for licensed  
790 subcontractors of an Internet poker hub operator for the sole  
791 purpose of permitting registered players to participate in games  
792 on the Internet poker hub or upon receipt of a court order to  
793 subpoena such information from the Internet poker hub.

794 2. All personally identifiable information about registered  
795 players will be shared with the division, the Department of Law



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796 Enforcement, and any other governmental agency that receives a  
797 court order to subpoena such information.

798 (f) An Internet poker hub operator shall also require that  
799 a person agree to the terms of a use agreement applying to  
800 registered players.

801 (g) An Internet poker hub operator shall provide a  
802 registered player with the means to update the information  
803 provided in paragraph (d).

804 (h) An Internet poker hub operator may revoke the accounts  
805 of a registered player for the following reasons:

806 1. The registered player provided false information in the  
807 registration process;

808 2. The registered player has not updated registration  
809 information to keep it current; or

810 3. The registered player has violated an Internet poker hub  
811 operator's terms of use agreement.

812 (i) An Internet poker hub operator may suspend or revoke  
813 the account of a registered player if the operator suspects the  
814 registered player has participated in illegal activity on a  
815 state Internet poker network.

816 (j) An Internet poker hub operator shall establish and  
817 maintain an account for each registered player. An Internet  
818 poker hub operator shall:

819 1. Provide a means for a registered player to put funds  
820 into an account; however, a registered player may not increase  
821 the amount in an account after a game has started and before its  
822 completion.

823 2. Maintain records on the balance of each registered  
824 player's account.



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825           3. Prohibit a registered player from placing a wager unless  
826 the player's account has sufficient funds to cover the amount of  
827 the wager.

828           4. Not provide credit to a registered player's account or  
829 act as an agent for a credit provider to facilitate the  
830 provision of funds.

831           5. Provide a means for a registered player to transfer  
832 money out of the player's account.

833           (k) An Internet poker hub operator shall put in place other  
834 systems that provide registered players with the ability to  
835 control aspects of their play. Upon registration and at each  
836 time when a registered player logs on to a state Internet poker  
837 network, an Internet poker hub operator shall permit the  
838 registered player to adjust the player's play settings to:

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

840           2. Set a limit on the amount that can be wagered within a  
841 specified period of time;

842           3. Set a limit on the losses that may incur within a  
843 specified period of time;

844           4. Set a limit on the amount of time that can be played  
845 after logging on to the Internet poker hub; or

846           5. Prevent the Internet poker hub from allowing the  
847 registered player to play for an indefinite period of time.

848           (l) During play, in order to assist a registered player to  
849 decide whether to suspend play, the registered player's screen  
850 shall:

851           1. Indicate how long the player has been playing;

852           2. Indicate the player's winnings or losses since the time  
853 of last logging in;



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854           3. Give an option to the player to end the session or  
855 return to the game; and

856           4. Require the player to confirm that the player has read  
857 the message.

858           (18) REGISTERED PLAYER ACCOUNTS; RECORDS AND REPORTS.-

859           (a) An Internet poker hub operator shall establish a book  
860 of accounts, regularly audit, and make all financial records  
861 available to the division. An Internet poker hub operator shall  
862 demonstrate that it has a system of maintaining records and  
863 reports that are readily available to the division. The records  
864 and reports shall include the following:

865           1. Monthly auditable and aggregate financial statements of  
866 gaming transactions.

867           2. Calculation of all fees payable to government.

868           3. The identity of players.

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

871           5. The wagers placed on each game time stamped by the games  
872 server.

873           6. The result of each game time stamped by the games  
874 server.

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

876           8. The balance on the player's account at the end of the  
877 game.

878           (b) An Internet poker hub operator shall reconcile all data  
879 logs files regarding the registered players' accounts on a  
880 monthly basis.

881           (19) INTERNET POKER HUB OPERATOR; OBLIGATIONS; TECHNICAL  
882 SYSTEMS REQUIREMENTS.-



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883           (a) Before an Internet poker hub operator can begin  
884 intrastate Internet poker operations, an Internet poker hub  
885 operator shall establish a physical site in the state that will  
886 house the game and database servers and other components and  
887 equipment necessary to conduct intrastate Internet poker. In  
888 addition, managerial employees of the Internet poker hub  
889 operator who manage or oversee the daily operations of the  
890 Internet poker hub network must reside in the state.

891           (a) An Internet poker hub operator shall put in place  
892 technical systems that materially aid the division in fulfilling  
893 its regulatory, consumer protection, and revenue-raising  
894 functions and allow the division unrestricted access to and the  
895 right to inspect the technical systems.

896           (b) An Internet poker hub operator shall ensure that the  
897 network is protected from manipulation or tampering to affect  
898 the random probabilities of winning plays.

899           (c) An Internet poker hub operator shall define and  
900 document its methodology for the following:

901           1. The development, implementation, and maintenance of  
902 gaming software in a manner representative of industry best  
903 practice standards.

904           2. Server connectivity requirements that include:

905           a. Minimum game server connectivity requirements that  
906 ensure players are protected from losses due to connectivity  
907 problems.

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

910           c. Aborted game procedures.

911           3. Ability of the system to recover all information



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912 required for viewing a game interrupted due to loss of  
913 connectivity.

914 4. Consumer protection requirements.

915 5. Responsible advertising, marketing, and promotion that  
916 ensure that players are not misled through advertising or  
917 promotional activities, and will ensure that the terms and  
918 conditions of their promotions are followed.

919 6. Anti-money-laundering controls.

920 7. Preventive and detective controls addressing money  
921 laundering and fraud risks which shall be documented and  
922 implemented.

923 (d) An Internet poker hub operator shall retain all such  
924 documentation for at least 12 months.

925 (20) FEE FOR PARTICIPATION.—An Internet poker hub operator  
926 shall charge a fee or a tournament fee to registered players for  
927 the right to participate in authorized games or tournaments  
928 conducted on a state Internet poker network. The participation  
929 fee may be a per-hand charge, a flat fee, an hourly rate, or a  
930 rake subject to the posted maximum amount but may not be based  
931 on the amount won by players. The fee shall be designated and  
932 conspicuously posted on the registered player's screen prior to  
933 the start of each proposed or authorized game.

934 (21) PROHIBITED RELATIONSHIPS.—

935 (a) A proprietorship, partnership, corporation,  
936 subcontractor, or other entity must obtain a valid intrastate  
937 Internet poker business occupational license issued by the  
938 division to partner with, contract with, be associated with, or  
939 participate in the conduct of intrastate Internet poker  
940 operations with an Internet poker hub operator or a cardroom



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941 affiliate.

942 (b) A person employed by or performing any function on  
943 behalf of the division may not:

944 1. Be an officer, director, owner, or employee of any  
945 person or entity licensed by the division.

946 2. Have or hold any interest, direct or indirect, in or  
947 engage in any commerce or business relationship with any person  
948 licensed by the division.

949 (c) An employee of the division or a relative living in the  
950 same household as the employee may not play at any time on a  
951 state Internet poker network.

952 (d) An occupational licensee of an Internet poker hub  
953 operator or a relative living in the same household as the  
954 occupational licensee may not play at any time on a state  
955 Internet poker network. This paragraph does not apply to an  
956 occupational licensee of a cardroom affiliate.

957 (e) A cardroom affiliate licensee may not sell or lease all  
958 or a portion of a percentage of its cardroom licensed under s.  
959 849.086 to any person or entity who has accepted any wager of  
960 money or other consideration on any online gambling activity,  
961 including poker, from any Florida resident since October 13,  
962 2006. This paragraph does not apply if the person or entity who  
963 accepted the wager is licensed as an Internet poker hub operator  
964 or cardroom affiliate.

965 (f) A cardroom affiliate licensee may not contract with any  
966 person or entity to operate the cardroom affiliate's portal link  
967 to the state Internet poker network on its website, to conduct  
968 marketing or promotional activities, or to conduct any other  
969 aspects of business associated with the play of intrastate



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970 Internet poker if that person or entity has accepted any wager  
971 of money or other consideration on any online gambling activity,  
972 including poker, from any Florida resident since October 13,  
973 2006. This paragraph does not apply if the person or entity who  
974 accepted the wager is licensed as an Internet poker hub operator  
975 or cardroom affiliate.

976 (22) PROHIBITED ACTS; PENALTIES.-

977 (a) An Internet poker hub operator may conduct any proposed  
978 or authorized game under subsection (16) unless specifically  
979 prohibited by the division or by this section.

980 (b) A person who has not attained 18 years of age may not  
981 hold an intrastate Internet poker occupational license or engage  
982 in any game conducted therein.

983 (c) It is a violation of the laws of this state for any  
984 entity to offer Internet poker for free or for money or any  
985 other consideration to individuals present in this state unless  
986 that entity can demonstrate that it is in compliance with the  
987 laws and tax regulations of the United States and of this state.

988 (d) Any entity that has accepted any wager of money or  
989 other consideration on any online gambling activity, including  
990 poker, from any Florida resident since October 13, 2006, is not  
991 eligible to apply for licensure and participate in intrastate  
992 Internet poker in this state for a period of 3 years after the  
993 effective date of this act. However, this prohibition does not  
994 disqualify an applicant or subcontractor who accepts online  
995 pari-mutuel wagers from any Florida resident through a legal  
996 online pari-mutuel wagering entity authorized in another state.

997 (e) Except as otherwise provided by law and in addition to  
998 any other penalty, any person who knowingly makes or causes to



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999 be made, or aids, assists, or procures another to make, a false  
1000 statement in any report, disclosure, application, or other  
1001 document required under this section or any rule adopted under  
1002 this section is subject to an administrative fine of up to  
1003 \$10,000.

1004 (f) Any person who manipulates or attempts to manipulate  
1005 the outcome, payoff, or operation of the play of intrastate  
1006 Internet poker by tampering, collusion, or fraud, or by the use  
1007 of any object, instrument, or device, by any means, commits a  
1008 felony of the third degree, punishable as provided in s.  
1009 775.082, s. 775.083, or s. 775.084.

1010 (g) All penalties imposed and collected under this  
1011 subsection shall be deposited into the Pari-mutuel Wagering  
1012 Trust Fund.

1013 (23) LICENSE FEES.—

1014 (a) Upon submission of the initial application and  
1015 proposal, the applicant for an Internet poker hub operator  
1016 license shall pay an initial filing fee of \$25,000 to compensate  
1017 the division for reasonably anticipated costs to be incurred to  
1018 conduct a comprehensive investigation of the applicant to  
1019 determine if the applicant is legally, technically, and  
1020 financially qualified to become an Internet poker hub operator  
1021 and is suitable for licensure. The division shall, by rule,  
1022 require the applicant to make an additional payment if necessary  
1023 to complete the investigation; however, the total amount  
1024 collected under this paragraph may not exceed the actual cost  
1025 incurred to conduct the investigation. The division shall, by  
1026 rule, set a procedure for refunding any amount of the filing fee  
1027 and additional payment collected under this paragraph which is



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1028 not used to cover the cost of the investigation.

1029 (b) Upon submission of the initial application for an  
1030 Internet poker hub operator license, and annually thereafter, on  
1031 the anniversary date of the issuance of the initial license, an  
1032 internet poker hub operator licensee shall pay a nonrefundable  
1033 license fee of \$500,000 for the succeeding 12 months of  
1034 licensure to fund the division's regulation and oversight of the  
1035 operation and play of intrastate Internet poker.

1036 (c) Upon submission of the initial application for a  
1037 cardroom affiliate license, and annually thereafter, as required  
1038 in subsection (11) (b), a cardroom affiliate licensee shall pay a  
1039 nonrefundable license fee of \$1,000 for the succeeding 12 months  
1040 of licensure.

1041 (d) All funds received under this section shall be  
1042 deposited by the division with the Chief Financial Officer to  
1043 the credit of the Pari-mutuel Wagering Trust Fund.

1044 (24) ADVANCE PAYMENT BY AN INTERNET POKER HUB OPERATOR.—  
1045 Upon the awarding of a contract to be an Internet poker hub  
1046 operator by the division under subsection (6), an Internet poker  
1047 hub operator licensee shall pay to the division a nonrefundable  
1048 payment of \$10 million. This payment shall be treated as an  
1049 advance payment to the state by each Internet poker hub operator  
1050 and shall be credited against the tax on monthly gross receipts  
1051 derived from the play of intrastate Internet poker under  
1052 paragraph (25) (a) until the original amount is recouped by each  
1053 Internet poker hub operator.

1054 (25) TAX RATE; OTHER PAYMENTS; PENALTIES.—

1055 (a) Each Internet poker hub operator shall pay a tax to the  
1056 state of 10 percent of the operator's monthly gross receipts



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1057 derived from the play of intrastate Internet poker. However, an  
1058 Internet poker hub operator shall pay no taxes under this  
1059 paragraph until the full amount of the advance payment made by  
1060 that poker hub operator under subsection (24) has been credited  
1061 against the tax. Credit of the advance payment toward the tax  
1062 shall be made upon receipt by the division of the monthly report  
1063 required under paragraph (b).

1064 (b) The gross receipts tax imposed by this section shall be  
1065 paid to the division. Each Internet poker hub operator shall  
1066 remit the gross receipts tax and licensee fees to the division  
1067 to be deposited with the Chief Financial Officer, to the credit  
1068 of the Pari-mutuel Wagering Trust Fund. Such payments shall be  
1069 remitted to the division by electronic funds transfer on the 5th  
1070 day of each calendar month for taxes and fees imposed for the  
1071 preceding month's intrastate Internet poker activities.

1072 Licensees shall file a report under oath by the 5th day of each  
1073 calendar month for all taxes remitted during the preceding  
1074 calendar month. Such payments shall be accompanied by a report  
1075 under oath showing all intrastate Internet poker activities for  
1076 the preceding calendar month and such other information as may  
1077 be prescribed by the division.

1078 (c) A licensee who fails to make tax payments as required  
1079 under this section is subject to an administrative penalty of up  
1080 to \$10,000 for each day the tax payment is not remitted. All  
1081 penalties imposed and collected under this subsection shall be  
1082 deposited in the Pari-mutuel Wagering Trust Fund. If a licensee  
1083 fails to pay penalties imposed by order of the division under  
1084 this subsection, the division may suspend, revoke, or refuse to  
1085 renew the license of an Internet poker hub operator or cardroom



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1086 affiliate.

1087 (d) All of the moneys deposited in the Pari-mutuel Wagering  
1088 Trust Fund under this section shall be utilized and distributed  
1089 in the manner specified in s. 550.135(1) and (2).

1090 (26) DISTRIBUTION OF INCOME DERIVED FROM THE PLAY OF  
1091 INTERNET POKER.—

1092 (a) After the tax on the monthly gross receipts derived  
1093 from the play of intrastate Internet poker is paid to the state  
1094 as specified under subsection (25), the remaining monthly gross  
1095 receipts shall be distributed by the Internet poker hub  
1096 operators as follows:

1097 1. Seventy percent shall be distributed to eligible  
1098 licensed cardroom affiliates.

1099 a.(I) Fifty percent shall be divided and distributed among  
1100 the cardroom affiliates based on each cardroom affiliate's total  
1101 rake generated from the play of authorized games defined in s.  
1102 849.086(2) (a) for the previous state fiscal year divided by the  
1103 total previous year's rake for all the cardroom affiliates, as  
1104 determined by the division.

1105 (II) Fifty percent shall be divided and distributed to the  
1106 cardroom affiliates based on the amount wagered for the previous  
1107 month through each cardroom affiliate's portal as determined by  
1108 the division, divided by the total amount wagered for the  
1109 previous month through all cardroom affiliates' portals.

1110 b. If two or more cardroom affiliates join together to  
1111 operate a portal for purposes of sub-sub-subparagraphs b.(I) and  
1112 (II), their portal wagers and previous year's rake shall be  
1113 combined.

1114 c. Each permitholder that receives payments under this



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1115 subparagraph shall use at least 4 percent of its monthly gross  
1116 receipts from the play of intrastate Internet poker to  
1117 supplement pari-mutuel purses or prize money, respectively,  
1118 during the permitholder's current meet or no later than the next  
1119 ensuing pari-mutuel meet.

1120 2. Twenty-five percent shall be retained by the Internet  
1121 poker hub operators from which they shall pay all costs for the  
1122 intrastate Internet poker hub operations.

1123 3. Four percent shall be retained by the Internet poker hub  
1124 operators to fund statewide advertising, marketing, and  
1125 promotion of the play of intrastate Internet poker on a state  
1126 Internet poker network. The division shall perform an annual  
1127 audit to verify that the Internet poker hub operators use such  
1128 funds solely for the statewide advertising, marketing, and  
1129 promotion of the play of intrastate Internet poker on a state  
1130 Internet poker network.

1131 4. One percent shall fund services related to the  
1132 prevention and treatment of compulsive and addictive gambling  
1133 provided by the entity that is under contract with the division  
1134 under s. 551.118(2). The division shall be responsible for the  
1135 distribution and audit of the funds under this subparagraph.

1136 (b) The distribution of the preceding monthly gross  
1137 receipts shall be by the 20th day of each calendar month.

1138 (c) The division shall ensure that all distributions are  
1139 made in accordance with this section and may adopt rules to  
1140 ensure the implementation and proper distribution of funds.

1141 (d) This subsection does not prevent individual cardrooms  
1142 or a number of cardroom affiliates from joining together in a  
1143 coalition for the purpose of the marketing and promotion of the



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1144 play of intrastate Internet poker on a state Internet poker  
1145 network.

1146 (27) SUSPENSION, REVOCATION, OR DENIAL OF LICENSE.—

1147 (a) The division may deny a license or the renewal of a  
1148 license, or may suspend or revoke any license, when the  
1149 applicant has: violated or failed to comply with section or any  
1150 rule adopted pursuant to this section; knowingly caused, aided,  
1151 abetted, or conspired with another to cause any person to  
1152 violate this section or any rule adopted pursuant to this  
1153 section; or obtained a license or permit by fraud,  
1154 misrepresentation, or concealment; or if the holder of the  
1155 license is no longer eligible under this section.

1156 (b) If a cardroom affiliate's pari-mutuel permit or license  
1157 is suspended or revoked by the division pursuant to chapter 550,  
1158 or its cardroom operator's license is suspended or revoked by  
1159 the division pursuant to s. 849.086, the division shall suspend  
1160 or revoke the cardroom affiliate's license. If a cardroom  
1161 affiliate's license is suspended or revoked under this section,  
1162 the division may, but is not required to, suspend or revoke the  
1163 licensee's cardroom operator's license.

1164 (28) PENALTIES.— The division may revoke or suspend any  
1165 Internet poker hub operator license or cardroom affiliate  
1166 license issued under this section upon the willful violation by  
1167 the licensee of this section or any rule adopted pursuant to  
1168 this section.

1169 (a) Notwithstanding any other provision of law, the  
1170 division may impose an administrative fine not to exceed \$10,000  
1171 for each violation against any person who has violated or failed  
1172 to comply with this section or any rule adopted pursuant to this



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1173 section.

1174 (b) Notwithstanding any other provision of law, the  
1175 division may impose an administrative fine, not exceeding  
1176 \$100,000 for each count or separate offense, upon an Internet  
1177 poker hub operator or a cardroom affiliate for willfully  
1178 violating this section or any rule adopted pursuant to this  
1179 section.

1180 (c) All penalties imposed and collected under this section  
1181 shall be deposited into the Pari-mutuel Wagering Trust Fund.

1182 (29) RULEMAKING.—The division may adopt rules pursuant to  
1183 ss. 120.536(1) and 120.54 to administer the provisions of this  
1184 section.

1185 (30) LEGISLATIVE AUTHORITY; ADMINISTRATION OF SECTION.—The  
1186 Legislature finds and declares that it has exclusive authority  
1187 over the conduct of intrastate Internet poker in this state.  
1188 Only the Division of Pari-mutuel Wagering and other authorized  
1189 state agencies shall administer this section and regulate the  
1190 intrastate Internet poker industry in the state, including  
1191 operation of all Internet poker hub operators and cardroom  
1192 affiliates, play of authorized games, and the Internet poker  
1193 computer systems authorized in this section, as provided by law  
1194 and rules adopted by the division.

1195 Section 3. This act shall take effect July 1, 2011.

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1198 ===== T I T L E A M E N D M E N T =====

1199 And the title is amended as follows:

1200 Delete everything before the enacting clause  
1201 and insert:



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1202                                   A bill to be entitled  
1203           An act relating to Internet poker; creating the  
1204           "Internet Poker Consumer Protection and Revenue  
1205           Generation Act"; providing for intrastate Internet  
1206           poker to be provided to the public by cardroom  
1207           operators through a state Internet poker network  
1208           operated by licensed Internet poker hub operators;  
1209           creating s. 849.087, F.S.; providing legislative  
1210           intent; providing definitions; authorizing  
1211           participation in and operation of intrastate Internet  
1212           poker; providing for the Division of Pari-mutuel  
1213           Wagering of the Department of Business and  
1214           Professional Regulation to administer the act and  
1215           regulate the operation of a state Internet poker  
1216           network, Internet poker hub operators, cardroom  
1217           affiliates, and the playing of intrastate Internet  
1218           poker; authorizing the division to adopt rules,  
1219           conduct investigations and monitor operations, review  
1220           books and accounts and records, suspend or revoke any  
1221           license or permit for a violation, take testimony,  
1222           issue summons and subpoenas, monitor and ensure the  
1223           proper collection of taxes and fees, and monitor and  
1224           ensure that the playing of Internet poker is conducted  
1225           fairly and that player information is protected by  
1226           Internet poker hub operators; requiring Internet poker  
1227           hub operators to be licensed; providing qualifications  
1228           and conditions for licensure; providing application  
1229           requirements; providing for an advance payment to be  
1230           credited toward taxes; providing initial and renewal



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1231 license fees; providing for selection of Internet  
1232 poker hub operators through competitive procurement  
1233 process; requiring payment of certain costs and refund  
1234 of amounts collected in excess of the cost; requiring  
1235 a surety bond; providing for a contract between the  
1236 state and the poker hub operator; requiring the  
1237 division to annually determine the need for additional  
1238 operators; providing for a cardroom affiliate license  
1239 to be issued to a cardroom operator to provide  
1240 intrastate Internet poker for play; providing for  
1241 applications for the affiliate license and renewal  
1242 thereof; providing conditions for licensure and  
1243 renewal of licensure as an affiliate; requiring  
1244 reporting to and approval by the division of a change  
1245 of ownership of the affiliate licensee; prohibiting  
1246 certain acts by an affiliate; providing a fee;  
1247 providing for employee and business occupational  
1248 licenses; requiring certain employees of and certain  
1249 companies doing business with a cardroom affiliate or  
1250 an Internet poker hub operator to hold an appropriate  
1251 occupational license; prohibiting such operator or  
1252 affiliate from employing or allowing to be employed  
1253 such a person or doing business with such a company if  
1254 that person or company does not hold an occupational  
1255 license; directing the division to adopt rules  
1256 regarding Internet poker hub operator, cardroom  
1257 affiliate, and occupational licenses and renewal of  
1258 such licenses; providing a fee for occupational  
1259 license and renewal thereof; providing penalties for



1260 failure to pay the fee; exempting from licensure a  
1261 person holding a valid individual cardroom  
1262 occupational license; providing grounds for the  
1263 division to deny an application for or revoke,  
1264 suspend, or place conditions or restrictions on or  
1265 refuse to renew such occupational license; requiring  
1266 fingerprints; providing procedures for processing  
1267 fingerprints and conducting a criminal history records  
1268 check and for payment of costs; providing for  
1269 citations and civil penalties; providing requirements  
1270 to register and play intrastate Internet poker;  
1271 providing for an Internet Poker Self-Exclusion Form;  
1272 requiring the Internet poker hub operator to exclude  
1273 from play any person who has completed such form;  
1274 providing for maintenance of the form and distribution  
1275 to cardroom affiliates and the division; requiring the  
1276 Internet poker hub operator to display a link to the  
1277 website offering services related to the prevention of  
1278 compulsive and addictive gambling; limiting liability;  
1279 providing requirements for approval of games to be  
1280 offered to players; providing requirements for all  
1281 offered games and game results and games not  
1282 completed; providing requirements to minimize fraud  
1283 and cheating; prohibiting action for damages against  
1284 the Internet poker hub operator to prevent fraud or  
1285 cheating under certain circumstances; providing  
1286 requirements for player eligibility and registration  
1287 and player accounts; authorizing the Internet poker  
1288 hub operator to suspend or revoke player accounts;



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1289 providing requirements for poker hub operations;  
1290 requiring the Internet poker hub operator to establish  
1291 a book of accounts, regularly audit financial records,  
1292 and make the records available to the division;  
1293 providing technical system requirements; requiring the  
1294 Internet poker hub operator to define, document, and  
1295 implement certain methodologies relating to its  
1296 systems; requiring the Internet poker hub operator to  
1297 maintain such documentation for a certain period of  
1298 time; providing for player participation fees;  
1299 prohibiting certain relationships and acts by  
1300 employees of the division and occupational license  
1301 holders and certain relatives; authorizing conduct of  
1302 proposed and authorized games; prohibiting a person  
1303 who has not attained a certain age from holding an  
1304 Internet poker occupational license or engaging in any  
1305 game conducted; prohibiting offering Internet poker to  
1306 persons located in the state except in compliance with  
1307 law; providing that an entity that has accepted any  
1308 wager on any online gambling activity from a Florida  
1309 resident since a certain date is not eligible to apply  
1310 for licensure and participate in intrastate Internet  
1311 poker in Florida for a specified period of time;  
1312 prohibiting false statements; prohibiting manipulation  
1313 of Internet poker play and operations; providing civil  
1314 and criminal penalties; providing for disposition of  
1315 fines collected; providing for license fees to be paid  
1316 by the Internet poker hub operator and cardroom  
1317 affiliates; providing for disposition and accounting



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1318 of fees collected; providing for an advance payment by  
1319 the Internet poker hub operator to be credited toward  
1320 taxes; providing for the tax rate and procedures for  
1321 payment; requiring payments to be accompanied by a  
1322 report showing all intrastate Internet poker  
1323 activities for the preceding calendar month and  
1324 containing such other information as prescribed by the  
1325 division; providing penalties for failure to pay taxes  
1326 and penalties; providing for use of certain deposits;  
1327 providing for distribution of moneys received from  
1328 Internet poker hub operations; providing grounds for  
1329 the division to deny a license or the renewal thereof  
1330 or suspend or revoke a license; providing penalties;  
1331 authorizing the division to adopt rules; providing for  
1332 administration of the act and regulation of the  
1333 intrastate Internet poker industry; providing an  
1334 effective date.