

By the Committee on Regulated Industries; and Senator Diaz de la Portilla

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1                                   A bill to be entitled  
2           An act relating to Internet poker; creating the  
3           "Internet Poker Consumer Protection and Revenue  
4           Generation Act"; providing for intrastate Internet  
5           poker to be provided to the public by cardroom  
6           operators through a state Internet poker network  
7           operated by licensed Internet poker hub operators;  
8           creating s. 849.087, F.S.; providing legislative  
9           intent; providing definitions; authorizing  
10          participation in and operation of intrastate Internet  
11          poker; providing for the Division of Pari-mutuel  
12          Wagering of the Department of Business and  
13          Professional Regulation to administer the act and  
14          regulate the operation of a state Internet poker  
15          network, Internet poker hub operators, cardroom  
16          affiliates, and the playing of intrastate Internet  
17          poker; authorizing the division to adopt rules,  
18          conduct investigations and monitor operations, review  
19          books and accounts and records, suspend or revoke any  
20          license or permit for a violation, take testimony,  
21          issue summons and subpoenas, monitor and ensure the  
22          proper collection of taxes and fees, and monitor and  
23          ensure that the playing of Internet poker is conducted  
24          fairly and that player information is protected by  
25          Internet poker hub operators; requiring Internet poker  
26          hub operators to be licensed; providing qualifications  
27          and conditions for licensure; providing application  
28          requirements; providing for an advance payment to be  
29          credited toward taxes; providing initial and renewal

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30 license fees; providing for selection of Internet  
31 poker hub operators through competitive procurement  
32 process; requiring payment of certain costs and refund  
33 of amounts collected in excess of the cost; requiring  
34 a surety bond; providing for a contract between the  
35 state and the poker hub operator; requiring the  
36 division to annually determine the need for additional  
37 operators; providing for a cardroom affiliate license  
38 to be issued to a cardroom operator to provide  
39 intrastate Internet poker for play; providing for  
40 applications for the affiliate license and renewal  
41 thereof; providing conditions for licensure and  
42 renewal of licensure as an affiliate; requiring  
43 reporting to and approval by the division of a change  
44 of ownership of the affiliate licensee; prohibiting  
45 certain acts by an affiliate; providing a fee;  
46 providing for employee and business occupational  
47 licenses; requiring certain employees of and certain  
48 companies doing business with a cardroom affiliate or  
49 an Internet poker hub operator to hold an appropriate  
50 occupational license; prohibiting such operator or  
51 affiliate from employing or allowing to be employed  
52 such a person or doing business with such a company if  
53 that person or company does not hold an occupational  
54 license; directing the division to adopt rules  
55 regarding Internet poker hub operator, cardroom  
56 affiliate, and occupational licenses and renewal of  
57 such licenses; providing a fee for occupational  
58 license and renewal thereof; providing penalties for

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59 failure to pay the fee; exempting from licensure a  
60 person holding a valid individual cardroom  
61 occupational license; providing grounds for the  
62 division to deny an application for or revoke,  
63 suspend, or place conditions or restrictions on or  
64 refuse to renew such occupational license; requiring  
65 fingerprints; providing procedures for processing  
66 fingerprints and conducting a criminal history records  
67 check and for payment of costs; providing for  
68 citations and civil penalties; providing requirements  
69 to register and play intrastate Internet poker;  
70 providing for an Internet Poker Self-Exclusion Form;  
71 requiring the Internet poker hub operator to exclude  
72 from play any person who has completed such form;  
73 providing for maintenance of the form and distribution  
74 to cardroom affiliates and the division; requiring the  
75 Internet poker hub operator to display a link to the  
76 website offering services related to the prevention of  
77 compulsive and addictive gambling; limiting liability;  
78 providing requirements for approval of games to be  
79 offered to players; providing requirements for all  
80 offered games and game results and games not  
81 completed; providing requirements to minimize fraud  
82 and cheating; prohibiting action for damages against  
83 the Internet poker hub operator to prevent fraud or  
84 cheating under certain circumstances; providing  
85 requirements for player eligibility and registration  
86 and player accounts; authorizing the Internet poker  
87 hub operator to suspend or revoke player accounts;

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88 providing requirements for poker hub operations;  
89 requiring the Internet poker hub operator to establish  
90 a book of accounts, regularly audit financial records,  
91 and make the records available to the division;  
92 providing technical system requirements; requiring the  
93 Internet poker hub operator to define, document, and  
94 implement certain methodologies relating to its  
95 systems; requiring the Internet poker hub operator to  
96 maintain such documentation for a certain period of  
97 time; providing for player participation fees;  
98 prohibiting certain relationships and acts by  
99 employees of the division and occupational  
100 licenseholders and certain relatives; authorizing  
101 conduct of proposed and authorized games; prohibiting  
102 a person who has not attained a certain age from  
103 holding an Internet poker occupational license or  
104 engaging in any game conducted; prohibiting offering  
105 Internet poker to persons located in the state except  
106 in compliance with law; providing that an entity that  
107 has accepted any wager on any online gambling activity  
108 from a Florida resident since a certain date is not  
109 eligible to apply for licensure and participate in  
110 intrastate Internet poker in Florida for a specified  
111 period of time; prohibiting false statements;  
112 prohibiting manipulation of Internet poker play and  
113 operations; providing civil and criminal penalties;  
114 providing for disposition of fines collected;  
115 providing for license fees to be paid by the Internet  
116 poker hub operator and cardroom affiliates; providing

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117 for disposition and accounting of fees collected;  
118 providing for an advance payment by the Internet poker  
119 hub operator to be credited toward taxes; providing  
120 for the tax rate and procedures for payment; requiring  
121 payments to be accompanied by a report showing all  
122 intrastate Internet poker activities for the preceding  
123 calendar month and containing such other information  
124 as prescribed by the division; providing penalties for  
125 failure to pay taxes and penalties; providing for use  
126 of certain deposits; providing for distribution of  
127 moneys received from Internet poker hub operations;  
128 providing grounds for the division to deny a license  
129 or the renewal thereof or suspend or revoke a license;  
130 providing penalties; authorizing the division to adopt  
131 rules; providing for administration of the act and  
132 regulation of the intrastate Internet poker industry;  
133 providing an effective date.

134

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

136

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

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

141 849.087 Intrastate Internet poker authorized.—

142 (1) LEGISLATIVE INTENT.—It is the intent of the Legislature  
143 to create a framework for the state to regulate intrastate  
144 Internet poker which can ensure consumer protections and  
145 additional revenue to the state by authorizing, implementing,

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146 and creating a licensing and regulatory structure and system of  
147 intrastate Internet poker to:

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

151 (b) Provide a new source of revenue that will generate  
152 additional positive economic benefits to the state through the  
153 authorization of lawful and regulated intrastate Internet poker  
154 in Florida instead of flowing offshore to unregulated foreign  
155 operators and markets.

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

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

167 (e) Provide for a licensed cardroom operator to become a  
168 licensed provider of intrastate Internet poker through Internet  
169 poker hub operators.

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

172 (g) Create a system to protect each registered poker  
173 player's private information and prevent fraud and identity  
174 theft and ensure that the player's financial transactions are

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175 processed in a secure and transparent fashion.

176 (h) Ensure that the regulatory agency has unlimited access  
177 to the premises and records of the Internet poker hub operators  
178 and cardroom affiliates to ensure strict compliance with its  
179 regulations concerning credit authorization, account access, and  
180 other security provisions.

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

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

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

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

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

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

198 (d) "Department" means the Department of Business and  
199 Professional Regulation.

200 (e) "Division" means the Division of Pari-mutuel Wagering  
201 of the department.

202 (f) "Gross receipts" means the total amount of money  
203 received by an Internet poker hub operator from registered

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204 players for participation in authorized games.

205 (g) "Internet poker hub operator" or "poker hub operator"  
206 means a computer system operator that is licensed by the state  
207 and contracts with the state to operate a state Internet poker  
208 network.

209 (h) "Intrastate Internet poker" means authorized games of  
210 poker played over the Internet by registered players who are  
211 physically present within the borders of this state at the time  
212 of play.

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

215 (j) "Nonbanking game" means an authorized game in which an  
216 Internet poker hub operator or cardroom affiliate is not a  
217 participant and has no financial stake in the outcome of the  
218 authorized game.

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

224 (l) "Rake" means a set fee or percentage of the pot  
225 assessed by an Internet poker hub operator for providing the  
226 Internet poker services to registered players for the right to  
227 participate in an authorized game conducted by the poker hub  
228 operator.

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

232 (n) "State Internet poker network" means a computer system



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233 operated by one or more Internet poker hub operators which  
234 authorizes the playing of and wagering on intrastate Internet  
235 poker by registered players through the website portals of  
236 cardroom affiliates.

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

240 (3) INTRASTATE INTERNET POKER AUTHORIZED.-

241 (a) Under the Unlawful Internet Gambling Enforcement Act of  
242 2006, a state is not precluded from regulating and conducting  
243 intrastate Internet poker as long as all players and the online  
244 wagering activities are located within the state.

245 (b) Notwithstanding any other provision of law, a person in  
246 Florida may participate as a registered player in an authorized  
247 game or tournament provided on a state Internet poker network by  
248 a licensed cardroom affiliate or may operate a state Internet  
249 poker network as a licensed Internet poker hub operator if such  
250 game and poker operations are conducted strictly in accordance  
251 with the provisions of this section and federal law.

252 (4) AUTHORITY OF DIVISION.-The division shall administer  
253 this section and regulate the operation of a state Internet  
254 poker network, the Internet poker hub operators, the cardroom  
255 affiliates, and the play of intrastate Internet poker under this  
256 section and the rules adopted pursuant to this section, and is  
257 authorized to:

258 (a) Adopt rules related to Internet poker, including, but  
259 not limited to, rules governing the issuance of operator and  
260 individual occupational licenses to Internet poker hub  
261 operators, cardroom affiliates, and their employees; operation

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262 of a state Internet poker network and technical system  
263 requirements; security of the financial information of  
264 registered players and registered player accounts; bonuses,  
265 awards, promotions, and other incentives to registered players;  
266 recordkeeping and reporting requirements; the distribution of  
267 Internet poker income; and the imposition and collection of all  
268 fees and taxes imposed by this section.

269 (b) Conduct investigations and monitor operation of a state  
270 Internet poker network and the playing of authorized games on a  
271 network.

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

274 (d) Suspend or revoke any license, after a hearing, for any  
275 violation of this section or the rules adopted pursuant to this  
276 section.

277 (e) Take testimony, issue summons and subpoenas for any  
278 witness, and issue subpoenas duces tecum in connection with any  
279 matter within its jurisdiction.

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

284 (g) Monitor and ensure that the playing of Internet poker  
285 is conducted fairly and that all personal and financial  
286 information provided by registered players is protected by the  
287 Internet poker hub operators.

288 (5) INTERNET POKER HUB OPERATOR LICENSE REQUIRED;  
289 APPLICATION.—A person may not operate as an Internet poker hub  
290 operator in this state unless the person holds a valid Internet

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291 poker hub operator license issued under this section.

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

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

297 (c) A person seeking a license or renewal of a license to  
298 operate as an Internet poker hub operator shall make application  
299 on forms prescribed by the division. Applications for Internet  
300 poker hub operator licenses shall contain all of the information  
301 the division, by rule, determines is required to ensure  
302 eligibility under this section.

303 (d) As a condition of licensure and to maintain continued  
304 authority to conduct intrastate Internet poker, an Internet  
305 poker hub operator licensee must provide the documentation  
306 required under this section on a timely basis to the division  
307 and the documentation must be appropriate, current, and  
308 accurate. A change in ownership or interest of an Internet poker  
309 hub operator licensee of 5 percent or more of the stock or other  
310 evidence of ownership or equity in an Internet poker hub  
311 operator licensee or any parent corporation or other business  
312 entity that in any way owns or controls an Internet poker hub  
313 operator licensee must be approved by the division before the  
314 change, unless the owner is an existing holder of the license  
315 who was previously approved by the division. A change in  
316 ownership or interest of less than 5 percent which results in a  
317 cumulative ownership or interest of 5 percent or more must be  
318 approved by the division before the change, unless the owner is  
319 an existing holder of the license who was previously approved by

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320 the division. The division may then conduct an investigation to  
321 ensure that the license is properly updated to show the change  
322 in ownership or interest. Reporting is not required under this  
323 paragraph if the person is holding 5 percent or less of the  
324 equity or securities of a corporate owner of an Internet poker  
325 hub operator licensee that has its securities registered  
326 pursuant to s. 12 of the Securities Exchange Act of 1934, 15  
327 U.S.C. ss. 78a-78kk, and if the corporation or entity files with  
328 the United States Securities and Exchange Commission the reports  
329 required by s. 13 of that act or if the securities of the  
330 corporation or entity are regularly traded on an established  
331 securities market in the United States.

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

334 (6) SELECTION OF AN INTERNET POKER HUB OPERATOR BY  
335 COMPETITIVE PROCUREMENT PROCESS; EVALUATION.—

336 (a) The division shall, subject to a competitive  
337 procurement process, select no more than three Internet poker  
338 hub operator applicants that meet the licensure and technical  
339 requirements and expertise to provide services for lawful  
340 intrastate Internet poker games in Florida. The applicants must  
341 demonstrate the ability to ensure that intrastate Internet poker  
342 is offered only to registered players who are at least 18 years  
343 of age and who are physically present within the borders of this  
344 state at the time of play.

345 (b) After each year of operation of intrastate Internet  
346 poker, the division shall review and evaluate the current level  
347 of liquidity in the state Internet poker network to determine if  
348 there is a need to license additional Internet poker hub

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349 operators, if the maximum number of Internet poker hub operators  
350 has not already been authorized. If the division finds there is  
351 sufficient evidence to support licensing additional Internet  
352 poker hub operators, then the division may select additional  
353 Internet poker hub operators pursuant to this subsection and the  
354 qualifications specified in subsection (7). Notwithstanding the  
355 power to license additional Internet poker hub operators under  
356 this paragraph, only three Internet poker hub operators may be  
357 licensed at any one time in the state.

358 (7) QUALIFICATIONS FOR AN INTERNET POKER HUB OPERATOR.—For  
359 the purposes of this section, the division shall consider all of  
360 the following as minimum qualifications to determine whether an  
361 Internet poker hub operator applicant or any subcontractor  
362 included in the hub operator applicant's state application is  
363 legally, technically, and financially qualified to become the  
364 state's Internet poker hub operator:

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

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

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

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

377 (d) The applicant has existing and established experience

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378 with Internet gaming, or is licensed to conduct Internet gaming  
379 activities, in one or more jurisdictions anywhere in the world  
380 where Internet gaming is legal and regulated.

381 (e) The applicant and all entities with an ownership  
382 interest in the applicant have demonstrated compliance with all  
383 federal and state laws in the jurisdictions in which they  
384 provide services.

385 (f) The applicant has provided all necessary documentation  
386 and information relating to all proposed subcontractors of the  
387 applicant.

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

391 1. Registered player processes and requirements relating to  
392 intrastate play, age verification, and exclusion of problem  
393 gamblers.

394 2. Network system requirements, including, but not limited  
395 to, connectivity, hardware, software, anti-fraud systems, virus  
396 prevention, data protection, access controls, firewalls,  
397 disaster recovery, and redundancy.

398 3. Gaming systems, including, but not limited to, hardware  
399 and software that ensures that: games are legal, games are  
400 independent and fair, game and betting rules are available to  
401 all registered players, and all data used for the conduct of  
402 each game are randomly generated and unpredictable.

403 4. Ongoing auditing by the division and accounting systems,  
404 including, but not limited to, those for registered player  
405 accounts, participation fees, distribution of funds to  
406 registered players, and distribution of revenue to the state.

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

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

418       (a) All necessary documentation and information relating to  
419 the applicant and its direct and indirect owners, including, but  
420 not limited to:

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

423       2. Current and historical audited financial and accounting  
424 records.

425       3. Any and all documents relating to legal and regulatory  
426 proceedings in this state and other jurisdictions involving the  
427 applicant.

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

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

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

435       7. Any other documentation or information that the

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436 division, by rule, determines is required to ensure eligibility.

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

440 1. A description of the services to be provided by each  
441 subcontractor.

442 2. Information for each subcontractor as set forth in this  
443 section.

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

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

449 1. Registered player requirements relating to:

450 a. Intrastate play.

451 b. Age verification.

452 c. Exclusion of problem gamblers.

453 2. Network system requirements, including, but not limited

454 to:

455 a. Connectivity.

456 b. Hardware.

457 c. Software.

458 d. Anti-fraud systems.

459 e. Virus prevention.

460 f. Data protection.

461 g. Access controls.

462 h. Firewalls.

463 i. Disaster recovery.

464 j. Redundancy.



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465 3. Gaming systems, including, but not limited to, hardware  
466 and software that ensures that:

467 a. Games are legal.

468 b. Games are independent and fair.

469 c. Game and betting rules are available to all registered  
470 players.

471 d. All data used for the conduct of each game are randomly  
472 generated and unpredictable.

473 4. Accounting systems, including, but not limited to, those  
474 for:

475 a. Registered player accounts.

476 b. Participation fees.

477 c. Transparency and reporting to the division.

478 d. Distribution of revenue to the state, funds pursuant to  
479 contract, and funds to registered players.

480 e. Ongoing auditing.

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

483 (e) A description by the applicant of how it will ensure  
484 that registered players are at least 18 years of age or older  
485 and facilitate registered player protections and resolution of  
486 player disputes.

487 (f) Upon submission of the initial application and  
488 proposal, the applicant shall pay all fees required in  
489 subsections (23) and (24).

490 (9) ANNUAL BOND REQUIRED.—The holder of a license to be an  
491 Internet poker hub operator in the state shall be financially  
492 and otherwise responsible for the operation of a state Internet  
493 poker network and for the conduct of any employee involved in

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494 the operation of the online poker network. Before the issuance  
495 of an Internet poker hub operator license, each qualified  
496 applicant for such a license must provide evidence of a surety  
497 bond in the amount of \$1 million, payable to the state, for each  
498 year that the licensee is licensed to be an Internet poker hub  
499 operator in the state. The bond shall be issued by a surety or  
500 sureties authorized to do business in the state and approved by  
501 the division and the Chief Financial Officer in his or her  
502 capacity as treasurer of the division. The bond shall guarantee  
503 that an Internet poker hub operator fulfills all financial  
504 requirements of the contract. Such bond shall be kept in full  
505 force and effect by an Internet poker hub operator during the  
506 term of the license.

507 (10) CONTRACTUAL RELATIONSHIP; RIGHT TO TERMINATE

508 CONTRACT.—An Internet poker hub operator shall comply with the  
509 terms of its contract with the state and this section.

510 (a) The accepted proposal agreed to by the division and an  
511 Internet poker hub operator shall constitute the contract  
512 between the state and the Internet poker hub operator.

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

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

520 (d) If this section is amended in such a way that affects  
521 the play of intrastate Internet poker or affects the operation  
522 of intrasate Internet poker by the licensed Internet poker hub

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523 operators contrary to the existing contract with the state, an  
524 Internet poker hub operator may declare the contract null and  
525 void within 90 days after the effective date of the amendment  
526 and must provide at least 60 days prior written notice to the  
527 division of such intent. Failure to provide notice of such  
528 intent to declare the contract null and void within 60 days of  
529 the effective date of any amendment to this section constitutes  
530 an agreement to be bound by the amendments adopted after the  
531 terms of the contract are established.

532 (e) In the event of commercial infeasibility due to a  
533 change in federal law rendering the provision of intrastate  
534 poker services illegal, an Internet poker hub operator or the  
535 division may abandon the contract after providing the other  
536 party with at least 90 days' written notice of its intent to end  
537 the contract and a statement explaining its interpretation that  
538 continuing to provide services under the contract is  
539 commercially infeasible.

540 (f) If a dispute arises between the parties to the  
541 contract, either the division or the Internet poker hub operator  
542 may go through an administrative law or circuit court for an  
543 initial interpretation of the contract and the rights and  
544 responsibilities in the contract.

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

551 (a) Only those persons holding a valid cardroom affiliate

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552 license issued by the division may provide intrastate Internet  
553 poker for play to registered players through its website.

554 (b) Prior to providing intrastate Internet poker for play  
555 to registered players, a cardroom affiliate licensee must have  
556 entered into a contractual relationship with a licensed Internet  
557 poker hub operator to offer the play of Internet poker. A copy  
558 of the contract must be on file with the division.

559 (c) After the initial cardroom affiliate license is  
560 granted, the annual application for the renewal of that license  
561 shall be made in conjunction with the applicant's annual  
562 application for its cardroom and pari-mutuel licenses under s.  
563 849.086 and chapter 550, respectively.

564 (d) A person seeking a license or renewal of a license to  
565 operate as a cardroom affiliate shall make the application on  
566 forms prescribed by the division. An application for a cardroom  
567 affiliate license shall contain all of the information the  
568 division, by rule, determines is required to ensure eligibility.

569 (e) As a condition of licensure and to maintain continued  
570 authority for the conduct of intrastate Internet poker, the  
571 cardroom affiliate licensee must provide the documentation  
572 required under this section on a timely basis to the division  
573 and the documentation must be appropriate, current, and  
574 accurate.

575 (f) As a condition of eligibility for license renewal, a  
576 cardroom affiliate must have, as either an individual or as part  
577 of a coalition as allowed in paragraph (26) (d), an active and  
578 operating portal, must have a current contract on file with the  
579 division, and must have contributed at least 1 percent of the  
580 total revenue generated from the play of intrastate Internet

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581 poker through the Internet poker hub the cardroom affiliate has  
582 contracted with from the previous state fiscal year, as  
583 determined by the division.

584 (g) The annual cardroom affiliate license fee shall be  
585 \$1,000 as referenced in paragraph (23) (c).

586 (h) The division shall adopt rules regarding cardroom  
587 affiliate licenses and renewals.

588 (12) BUSINESS AND EMPLOYEE OCCUPATIONAL LICENSE REQUIRED;  
589 APPLICATION; FEES.—

590 (a) A person employed by or otherwise working for an  
591 Internet poker hub operator or a cardroom affiliate in any  
592 capacity related to and while conducting intrastate Internet  
593 poker operations must hold a valid occupational license issued  
594 by the division.

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

599 (c) An Internet poker hub operator or cardroom affiliate  
600 may not contract with, or otherwise do business with, a business  
601 required to hold a valid intrastate Internet poker business  
602 occupational license, unless the business holds such a valid  
603 license.

604 (d) A proprietorship, partnership, corporation,  
605 subcontractor, or other entity must obtain a valid intrastate  
606 Internet poker business occupational license issued by the  
607 division to partner with, contract with, be associated with, or  
608 participate in the conduct of intrastate Internet poker  
609 operations with an Internet poker hub operator or a cardroom

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610 affiliate.

611 (e) The division shall establish, by rule, a schedule for  
612 the annual renewal of Internet poker hub operator and cardroom  
613 affiliate occupational licenses. Intrastate Internet poker  
614 occupational licenses are not transferable.

615 (f) A person seeking an intrastate Internet poker  
616 occupational license, or renewal of such a license, shall make  
617 the application on forms prescribed by the division and include  
618 payment of the appropriate application fee. An application for  
619 an intrastate Internet poker occupational license shall contain  
620 all of the information the division, by rule, determines is  
621 required to ensure eligibility under this section.

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

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

627 (i) Pursuant to rules adopted by the division, any person  
628 may apply for and, if qualified, be issued an intrastate  
629 Internet poker occupational license valid for a period of 3  
630 years upon payment of the full occupational license fee for each  
631 of the 3 years for which the license is issued. The intrastate  
632 Internet poker occupational license is valid during its  
633 specified term at any Internet poker hub operator or a cardroom  
634 affiliate where intrastate Internet poker is authorized to be  
635 conducted.

636 (j) The intrastate Internet poker occupational license fee  
637 for initial application and annual renewal shall be determined  
638 by rule of the division but may not exceed \$50 for an

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639 occupational license for an employee of an Internet poker hub  
640 operator or a cardroom affiliate licensee or \$1,000 for a  
641 business occupational license for nonemployees of the licensee  
642 providing goods or services to an Internet poker hub operator or  
643 a cardroom affiliate occupational licensee. Failure to pay the  
644 required fee constitutes grounds for disciplinary action by the  
645 division against an Internet poker hub operator or a cardroom  
646 affiliate occupational licensee.

647 (k) A person holding a valid individual cardroom  
648 occupational license issued by the division under s. 849.086(6)  
649 is not required to obtain an individual employee occupational  
650 license under this subsection.

651 (13) BUSINESS AND EMPLOYEE OCCUPATIONAL LICENSE DENIAL,  
652 REVOCATION, SUSPENSION, LIMITATION, OR NONRENEWAL.—The division  
653 may:

654 (a) Deny an application for, or revoke, suspend, or place  
655 conditions or restrictions on, a license of a person or entity  
656 that has been refused a license by any other state gaming  
657 commission, governmental department, agency, or other authority  
658 exercising regulatory jurisdiction over the gaming of another  
659 state or jurisdiction.

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

664 (c) Deny, suspend, revoke, or refuse to renew any Internet  
665 poker hub operator or cardroom affiliate occupational license if  
666 the applicant for the license or the licensee has violated this  
667 section or the rules of the division governing the conduct of

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668 persons connected with the play of intrastate Internet poker.

669 (d) Deny, suspend, revoke, or refuse to renew any Internet  
670 poker hub operator or cardroom affiliate occupational license if  
671 the applicant for the license or the licensee has been convicted  
672 in this state, in any other state, or under the laws of the  
673 United States of a capital felony, a felony, or an offense in  
674 any other state that would be a felony under the laws of this  
675 state involving arson; trafficking in, conspiracy to traffic in,  
676 smuggling, importing, conspiracy to smuggle or import, or  
677 delivery, sale, or distribution of a controlled substance;  
678 racketeering; or a crime involving a lack of good moral  
679 character, or has had a gaming license revoked by this state or  
680 any other jurisdiction for any gaming-related offense.

681 (e) Deny, revoke, or refuse to renew any Internet poker hub  
682 operator or cardroom affiliate occupational license if the  
683 applicant for the license or the licensee has been convicted of  
684 a felony or misdemeanor in this state, in any other state, or  
685 under the laws of the United States if such felony or  
686 misdemeanor is related to gambling or bookmaking as described in  
687 s. 849.25.

688 (14) BUSINESS AND EMPLOYEE OCCUPATIONAL LICENSE;  
689 FINGERPRINTS; FEES; CITATIONS.—

690 (a) A person employed by or working with an Internet poker  
691 hub operator or a cardroom affiliate must submit fingerprints  
692 for a criminal history record check and may not have been  
693 convicted of any disqualifying criminal offense specified in  
694 subsection (7). Division employees and law enforcement officers  
695 assigned by their employing agencies to work within the premises  
696 as part of their official duties are excluded from the criminal



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697 history record check requirements under this subsection.

698 (b) Fingerprints for all intrastate Internet poker  
699 occupational license applications shall be taken in a manner  
700 approved by the division upon initial application, or as  
701 required thereafter by rule of the division, and shall be  
702 submitted electronically to the Department of Law Enforcement  
703 for state processing. The Department of Law Enforcement shall  
704 forward the fingerprints to the Federal Bureau of Investigation  
705 for national processing. The results of the criminal history  
706 record check shall be returned to the division for purposes of  
707 screening. The division requirements under this subsection shall  
708 be instituted in consultation with the Department of Law  
709 Enforcement.

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

715 (d) All fingerprints submitted to the Department of Law  
716 Enforcement and required by this section shall be retained by  
717 the Department of Law Enforcement and entered into the statewide  
718 automated fingerprint identification system as authorized by s.  
719 943.05(2) (b) and shall be available for all purposes and uses  
720 authorized for arrest fingerprint cards entered into the  
721 statewide automated fingerprint identification system under s.  
722 943.051.

723 (e) The Department of Law Enforcement shall search all  
724 arrest fingerprints received under s. 943.051 against the  
725 fingerprints retained in the statewide automated fingerprint

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726 identification system. Any arrest record that is identified with  
727 the retained fingerprints of a person subject to the criminal  
728 history screening requirements of this section shall be reported  
729 to the division. Each licensed facility shall pay a fee to the  
730 division for the cost of retention of the fingerprints and the  
731 ongoing searches under this paragraph. The division shall  
732 forward the payment to the Department of Law Enforcement. The  
733 amount of the fee to be imposed for performing these searches  
734 and the procedures for the retention of licensee fingerprints  
735 shall be as established by rule of the Department of Law  
736 Enforcement. The division shall inform the Department of Law  
737 Enforcement of any change in the license status of licensees  
738 whose fingerprints are retained under paragraph (d).

739 (f) The division shall request the Department of Law  
740 Enforcement to forward the fingerprints to the Federal Bureau of  
741 Investigation for a national criminal history records check  
742 every 3 years following issuance of a license. If the  
743 fingerprints of a person who is licensed have not been retained  
744 by the Department of Law Enforcement, the person must file a  
745 complete set of fingerprints as provided for in paragraph (a).  
746 The division shall collect the fees for the cost of the national  
747 criminal history record check under this paragraph and shall  
748 forward the payment to the Department of Law Enforcement. The  
749 cost of processing fingerprints and conducting a criminal  
750 history record check under this paragraph for an intrastate  
751 Internet poker occupational license shall be borne by the person  
752 being checked. The Department of Law Enforcement may invoice the  
753 division for the fingerprints submitted each month. Under  
754 penalty of perjury, each person who is licensed or who is

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755 fingerprinted as required by this subsection must agree to  
756 inform the division within 48 hours if he or she is convicted of  
757 or has entered a plea of guilty or nolo contendere to any  
758 disqualifying offense, regardless of adjudication.

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

761 (h) The division may deny, revoke, or suspend any  
762 occupational license if the applicant or holder of the license  
763 accumulates unpaid obligations, defaults in obligations, or  
764 issues drafts or checks that are dishonored or for which payment  
765 is refused without reasonable cause.

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

770 (j) The division may impose a civil fine of up to \$10,000  
771 for each violation of this section or the rules of the division  
772 in addition to or in lieu of any other penalty provided for in  
773 this subsection. The division may adopt a penalty schedule for  
774 violations of this section or any rule adopted pursuant to this  
775 section for which it would impose a fine in lieu of a suspension  
776 and adopt rules allowing for the issuance of citations,  
777 including procedures to address such citations, to persons who  
778 violate such rules. In addition to any other penalty provided by  
779 law, the division may exclude from all licensed pari-mutuel,  
780 cardroom, and slot machine facilities in this state, for a  
781 period not to exceed the period of suspension, revocation, or  
782 ineligibility, any person whose occupational license application  
783 has been declared ineligible to hold an occupational license or

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784 whose occupational license has been suspended or revoked by the  
785 division.

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

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

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

791 2. Documentation relating to development and testing of the  
792 game's software.

793 (b) Upon submission of the information required in  
794 paragraph (a), an Internet poker hub operator may begin offering  
795 the game. If the division does not object to the proposed game  
796 of poker within 30 days after receipt of the submission, the  
797 game will be considered authorized and the Internet poker hub  
798 operator submitting the proposal may continue to offer the game  
799 to registered players.

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

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

806 1. The name of the game.

807 2. Any restrictions on play.

808 3. The rules of the game.

809 4. All instructions on how to play.

810 5. The unit and total bets permitted.

811 6. The registered player's current account balance, which  
812 shall be updated in real time.

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813 7. Any other information that an Internet poker hub  
814 operator determines is necessary for the registered player to  
815 have in real time to compete fairly in the proposed or  
816 authorized game.

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

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

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

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

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

835 2. An Internet poker hub operator shall immediately inform  
836 the division of any complaints of fraud or collusion and shall  
837 investigate whether the complaints are true and shall  
838 expeditiously act to prevent further fraud or collusion from  
839 taking place on the Internet poker hub. An Internet poker hub  
840 operator shall report the results of the investigation in  
841 writing to the division within 24 hours after the complaint and

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842 shall continue to report every 24 hours until its investigation  
843 is concluded. This paragraph does not prevent the division from  
844 conducting an independent investigation or initiating an  
845 administrative action to protect registered players from fraud  
846 and collusion on the Internet poker hub site and does not  
847 prohibit a registered player, the Internet poker hub operator, a  
848 cardroom affiliate, or the division from reporting suspected  
849 criminal activities to law enforcement officials.

850 3. A registered player may not bring an action for damages  
851 against an Internet poker hub operator for preventing fraud or  
852 cheating or attempting to prevent fraud or cheating if the  
853 Internet poker hub operator can demonstrate that it acted to  
854 prevent such actions as soon as it became aware of them.

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

859 (16) REGISTERED PLAYERS; ELIGIBILITY.-

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

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

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

867 1. All Internet poker hub operators and cardroom affiliates  
868 shall have an Internet Poker Self-Exclusion Form available  
869 online and accessible on the Internet page that is displayed  
870 when:

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871 a. A person opens the Internet page to register as a  
872 registered player; or

873 b. A registered player accesses the first page of the  
874 Internet page prior to playing.

875 2. Upon receipt of a completed Internet Poker Self-  
876 Exclusion Form, an Internet poker hub operator or cardroom  
877 affiliate shall immediately provide a copy of the completed form  
878 to each Internet poker hub operator, each cardroom affiliate,  
879 and the division. The division shall ensure that all other  
880 cardroom affiliates exclude the person from the play of  
881 intrastate Internet poker.

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

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

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

895 (17) REGISTERED PLAYER ACCOUNTS.—

896 (a) An Internet poker hub operator shall register players  
897 and establish registered player accounts prior to play and shall  
898 ensure that the player's personally identifiable information is  
899 accessible to the player and regulators but is otherwise secure.

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

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

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

907           1. First name and surname.

908           2. Principal residence address.

909           3. Telephone number.

910           4. Social security number.

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

913           6. Valid email address.

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

916       (e) Prior to completing the registration process, an  
917 Internet poker hub operator shall explain to the person in a  
918 conspicuous fashion the privacy policies of the Internet poker  
919 hub, and the person must assent to the following policies:

920           1. Personal identifying information will not be shared with  
921 any nongovernment third parties except for licensed  
922 subcontractors of an Internet poker hub operator for the sole  
923 purpose of permitting registered players to participate in games  
924 on the Internet poker hub or upon receipt of a court order to  
925 subpoena such information from the Internet poker hub.

926           2. All personally identifiable information about registered  
927 players will be shared with the division, the Department of Law  
928 Enforcement, and any other governmental agency that receives a



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929 court order to subpoena such information.

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

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

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

938 1. The registered player provided false information in the  
939 registration process;

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

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

944 (i) An Internet poker hub operator may suspend or revoke  
945 the account of a registered player if the operator suspects the  
946 registered player has participated in illegal activity on a  
947 state Internet poker network.

948 (j) An Internet poker hub operator shall establish and  
949 maintain an account for each registered player. An Internet  
950 poker hub operator shall:

951 1. Provide a means for a registered player to put funds  
952 into an account; however, a registered player may not increase  
953 the amount in an account after a game has started and before its  
954 completion.

955 2. Maintain records on the balance of each registered  
956 player's account.

957 3. Prohibit a registered player from placing a wager unless

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958 the player's account has sufficient funds to cover the amount of  
959 the wager.

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

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

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

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

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

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

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

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

980 (l) During play, in order to assist a registered player to  
981 decide whether to suspend play, the registered player's screen  
982 shall:

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

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

986 3. Give an option to the player to end the session or

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987 return to the game; and

988 4. Require the player to confirm that the player has read  
989 the message.

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

991 (a) An Internet poker hub operator shall establish a book  
992 of accounts, regularly audit, and make all financial records  
993 available to the division. An Internet poker hub operator shall  
994 demonstrate that it has a system of maintaining records and  
995 reports that are readily available to the division. The records  
996 and reports shall include the following:

997 1. Monthly auditable and aggregate financial statements of  
998 gaming transactions.

999 2. Calculation of all fees payable to government.

1000 3. The identity of players.

1001 4. The balance on the player's account at the start of a  
1002 session of play.

1003 5. The wagers placed on each game time stamped by the games  
1004 server.

1005 6. The result of each game time stamped by the games  
1006 server.

1007 7. The amount won or lost by the player.

1008 8. The balance on the player's account at the end of the  
1009 game.

1010 (b) An Internet poker hub operator shall reconcile all data  
1011 logs files regarding the registered players' accounts on a  
1012 monthly basis.

1013 (19) INTERNET POKER HUB OPERATOR; OBLIGATIONS; TECHNICAL  
1014 SYSTEMS REQUIREMENTS.—

1015 (a) Before an Internet poker hub operator can begin

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1016 intrastate Internet poker operations, an Internet poker hub  
1017 operator shall establish a physical site in the state that will  
1018 house the game and database servers and other components and  
1019 equipment necessary to conduct intrastate Internet poker. In  
1020 addition, managerial employees of the Internet poker hub  
1021 operator who manage or oversee the daily operations of the  
1022 Internet poker hub network must reside in the state.

1023 (b) An Internet poker hub operator shall put in place  
1024 technical systems that materially aid the division in fulfilling  
1025 its regulatory, consumer protection, and revenue-raising  
1026 functions and allow the division unrestricted access to and the  
1027 right to inspect the technical systems.

1028 (c) An Internet poker hub operator shall ensure that the  
1029 network is protected from manipulation or tampering to affect  
1030 the random probabilities of winning plays.

1031 (d) An Internet poker hub operator shall define and  
1032 document its methodology for the following:

1033 1. The development, implementation, and maintenance of  
1034 gaming software in a manner representative of industry best  
1035 practice standards.

1036 2. Server connectivity requirements that include:

1037 a. Minimum game server connectivity requirements that  
1038 ensure players are protected from losses due to connectivity  
1039 problems.

1040 b. The system's ability to recover all transactions  
1041 involving player funds in the event of a failure or malfunction.

1042 c. Aborted game procedures.

1043 3. Ability of the system to recover all information  
1044 required for viewing a game interrupted due to loss of

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1045 connectivity.

1046 4. Consumer protection requirements.

1047 5. Responsible advertising, marketing, and promotion that  
1048 ensure that players are not misled through advertising or  
1049 promotional activities, and will ensure that the terms and  
1050 conditions of their promotions are followed.

1051 6. Anti-money-laundering controls.

1052 7. Preventive and detective controls addressing money  
1053 laundering and fraud risks which shall be documented and  
1054 implemented.

1055 (e) An Internet poker hub operator shall retain all such  
1056 documentation for at least 12 months.

1057 (20) FEE FOR PARTICIPATION.—An Internet poker hub operator  
1058 shall charge a fee or a tournament fee to registered players for  
1059 the right to participate in authorized games or tournaments  
1060 conducted on a state Internet poker network. The participation  
1061 fee may be a per-hand charge, a flat fee, an hourly rate, or a  
1062 rake subject to the posted maximum amount but may not be based  
1063 on the amount won by players. The fee shall be designated and  
1064 conspicuously posted on the registered player's screen prior to  
1065 the start of each proposed or authorized game.

1066 (21) PROHIBITED RELATIONSHIPS.—

1067 (a) A proprietorship, partnership, corporation,  
1068 subcontractor, or other entity must obtain a valid intrastate  
1069 Internet poker business occupational license issued by the  
1070 division to partner with, contract with, be associated with, or  
1071 participate in the conduct of intrastate Internet poker  
1072 operations with an Internet poker hub operator or a cardroom  
1073 affiliate.

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1074 (b) A person employed by or performing any function on  
1075 behalf of the division may not:

1076 1. Be an officer, director, owner, or employee of any  
1077 person or entity licensed by the division.

1078 2. Have or hold any interest, direct or indirect, in or  
1079 engage in any commerce or business relationship with any person  
1080 licensed by the division.

1081 (c) An employee of the division or a relative living in the  
1082 same household as the employee may not play at any time on a  
1083 state Internet poker network.

1084 (d) An occupational licensee of an Internet poker hub  
1085 operator or a relative living in the same household as the  
1086 occupational licensee may not play at any time on a state  
1087 Internet poker network. This paragraph does not apply to an  
1088 occupational licensee of a cardroom affiliate.

1089 (e) A cardroom affiliate licensee may not sell or lease all  
1090 or a portion of a percentage of its cardroom licensed under s.  
1091 849.086 to any person or entity who has accepted any wager of  
1092 money or other consideration on any online gambling activity,  
1093 including poker, from any Florida resident since October 13,  
1094 2006. This paragraph does not apply if the person or entity who  
1095 accepted the wager is licensed as an Internet poker hub operator  
1096 or cardroom affiliate.

1097 (f) A cardroom affiliate licensee may not contract with any  
1098 person or entity to operate the cardroom affiliate's portal link  
1099 to the state Internet poker network on its website, to conduct  
1100 marketing or promotional activities, or to conduct any other  
1101 aspects of business associated with the play of intrastate  
1102 Internet poker if that person or entity has accepted any wager

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1103 of money or other consideration on any online gambling activity,  
1104 including poker, from any Florida resident since October 13,  
1105 2006. This paragraph does not apply if the person or entity who  
1106 accepted the wager is licensed as an Internet poker hub operator  
1107 or cardroom affiliate.

1108 (22) PROHIBITED ACTS; PENALTIES.—

1109 (a) An Internet poker hub operator may conduct any proposed  
1110 or authorized game under subsection (15) unless specifically  
1111 prohibited by the division or by this section.

1112 (b) A person who has not attained 18 years of age may not  
1113 hold an intrastate Internet poker occupational license or engage  
1114 in any game conducted therein.

1115 (c) It is a violation of the laws of this state for any  
1116 entity to offer Internet poker for free or for money or any  
1117 other consideration to individuals present in this state unless  
1118 that entity can demonstrate that it is in compliance with the  
1119 laws and tax regulations of the United States and of this state.

1120 (d) Any entity that has accepted any wager of money or  
1121 other consideration on any online gambling activity, including  
1122 poker, from any Florida resident since October 13, 2006, is not  
1123 eligible to apply for licensure and participate in intrastate  
1124 Internet poker in this state for a period of 3 years after the  
1125 effective date of this act. However, this prohibition does not  
1126 disqualify an applicant or subcontractor who accepts online  
1127 pari-mutuel wagers from any Florida resident through a legal  
1128 online pari-mutuel wagering entity authorized in another state.

1129 (e) Except as otherwise provided by law and in addition to  
1130 any other penalty, any person who knowingly makes or causes to  
1131 be made, or aids, assists, or procures another to make, a false

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1132 statement in any report, disclosure, application, or other  
1133 document required under this section or any rule adopted under  
1134 this section is subject to an administrative fine of up to  
1135 \$10,000.

1136 (f) Any person who manipulates or attempts to manipulate  
1137 the outcome, payoff, or operation of the play of intrastate  
1138 Internet poker by tampering, collusion, or fraud, or by the use  
1139 of any object, instrument, or device, by any means, commits a  
1140 felony of the third degree, punishable as provided in s.  
1141 775.082, s. 775.083, or s. 775.084.

1142 (g) All penalties imposed and collected under this  
1143 subsection shall be deposited into the Pari-mutuel Wagering  
1144 Trust Fund.

1145 (23) LICENSE FEES.—

1146 (a) Upon submission of the initial application and  
1147 proposal, the applicant for an Internet poker hub operator  
1148 license shall pay an initial filing fee of \$25,000 to compensate  
1149 the division for reasonably anticipated costs to be incurred to  
1150 conduct a comprehensive investigation of the applicant to  
1151 determine if the applicant is legally, technically, and  
1152 financially qualified to become an Internet poker hub operator  
1153 and is suitable for licensure. The division shall, by rule,  
1154 require the applicant to make an additional payment if necessary  
1155 to complete the investigation; however, the total amount  
1156 collected under this paragraph may not exceed the actual cost  
1157 incurred to conduct the investigation. The division shall, by  
1158 rule, set a procedure for refunding any amount of the filing fee  
1159 and additional payment collected under this paragraph which is  
1160 not used to cover the cost of the investigation.



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1161 (b) Upon submission of the initial application for an  
1162 Internet poker hub operator license, and annually thereafter, on  
1163 the anniversary date of the issuance of the initial license, an  
1164 internet poker hub operator licensee shall pay a nonrefundable  
1165 license fee of \$500,000 for the succeeding 12 months of  
1166 licensure to fund the division's regulation and oversight of the  
1167 operation and play of intrastate Internet poker.

1168 (c) Upon submission of the initial application for a  
1169 cardroom affiliate license, and annually thereafter, as required  
1170 in subsection (11) (b), a cardroom affiliate licensee shall pay a  
1171 nonrefundable license fee of \$1,000 for the succeeding 12 months  
1172 of licensure.

1173 (d) All funds received under this section shall be  
1174 deposited by the division with the Chief Financial Officer to  
1175 the credit of the Pari-mutuel Wagering Trust Fund.

1176 (24) ADVANCE PAYMENT BY AN INTERNET POKER HUB OPERATOR.—  
1177 Upon the awarding of a contract to be an Internet poker hub  
1178 operator by the division under subsection (6), an Internet poker  
1179 hub operator licensee shall pay to the division a nonrefundable  
1180 payment of \$10 million. This payment shall be treated as an  
1181 advance payment to the state by each Internet poker hub operator  
1182 and shall be credited against the tax on monthly gross receipts  
1183 derived from the play of intrastate Internet poker under  
1184 paragraph (25) (a) until the original amount is recouped by each  
1185 Internet poker hub operator.

1186 (25) TAX RATE; OTHER PAYMENTS; PENALTIES.—

1187 (a) Each Internet poker hub operator shall pay a tax to the  
1188 state of 10 percent of the operator's monthly gross receipts  
1189 derived from the play of intrastate Internet poker. However, an

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1190 Internet poker hub operator shall pay no taxes under this  
1191 paragraph until the full amount of the advance payment made by  
1192 that poker hub operator under subsection (24) has been credited  
1193 against the tax. Credit of the advance payment toward the tax  
1194 shall be made upon receipt by the division of the monthly report  
1195 required under paragraph (b).

1196 (b) The gross receipts tax imposed by this section shall be  
1197 paid to the division. Each Internet poker hub operator shall  
1198 remit the gross receipts tax and licensee fees to the division  
1199 to be deposited with the Chief Financial Officer, to the credit  
1200 of the Pari-mutuel Wagering Trust Fund. Such payments shall be  
1201 remitted to the division by electronic funds transfer on the 5th  
1202 day of each calendar month for taxes and fees imposed for the  
1203 preceding month's intrastate Internet poker activities.

1204 Licensees shall file a report under oath by the 5th day of each  
1205 calendar month for all taxes remitted during the preceding  
1206 calendar month. Such payments shall be accompanied by a report  
1207 under oath showing all intrastate Internet poker activities for  
1208 the preceding calendar month and such other information as may  
1209 be prescribed by the division.

1210 (c) A licensee who fails to make tax payments as required  
1211 under this section is subject to an administrative penalty of up  
1212 to \$10,000 for each day the tax payment is not remitted. All  
1213 penalties imposed and collected under this subsection shall be  
1214 deposited in the Pari-mutuel Wagering Trust Fund. If a licensee  
1215 fails to pay penalties imposed by order of the division under  
1216 this subsection, the division may suspend, revoke, or refuse to  
1217 renew the license of an Internet poker hub operator or cardroom  
1218 affiliate.

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1219 (d) All of the moneys deposited in the Pari-mutuel Wagering  
1220 Trust Fund under this section shall be utilized and distributed  
1221 in the manner specified in s. 550.135(1) and (2).

1222 (26) DISTRIBUTION OF INCOME DERIVED FROM THE PLAY OF  
1223 INTERNET POKER.—

1224 (a) After the tax on the monthly gross receipts derived  
1225 from the play of intrastate Internet poker is paid to the state  
1226 as specified under subsection (25), the remaining monthly gross  
1227 receipts shall be distributed by the Internet poker hub  
1228 operators as follows:

1229 1. Seventy percent shall be distributed to eligible  
1230 licensed cardroom affiliates.

1231 a.(I) Fifty percent shall be divided and distributed among  
1232 the cardroom affiliates based on each cardroom affiliate's total  
1233 rake generated from the play of authorized games defined in s.  
1234 849.086(2)(a) for the previous state fiscal year divided by the  
1235 total previous year's rake for all the cardroom affiliates, as  
1236 determined by the division.

1237 (II) Fifty percent shall be divided and distributed to the  
1238 cardroom affiliates based on the amount wagered for the previous  
1239 month through each cardroom affiliate's portal as determined by  
1240 the division, divided by the total amount wagered for the  
1241 previous month through all cardroom affiliates' portals.

1242 b. If two or more cardroom affiliates join together to  
1243 operate a portal for purposes of sub-sub-subparagraphs a.(I) and  
1244 (II), their portal wagers and previous year's rake shall be  
1245 combined.

1246 c. Each permitholder that receives payments under this  
1247 subparagraph shall use at least 4 percent of its monthly gross

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1248 receipts from the play of intrastate Internet poker to  
1249 supplement pari-mutuel purses or prize money, respectively,  
1250 during the permitholder's current meet or no later than the next  
1251 ensuing pari-mutuel meet.

1252 2. Twenty-five percent shall be retained by the Internet  
1253 poker hub operators from which they shall pay all costs for the  
1254 intrastate Internet poker hub operations.

1255 3. Four percent shall be retained by the Internet poker hub  
1256 operators to fund statewide advertising, marketing, and  
1257 promotion of the play of intrastate Internet poker on a state  
1258 Internet poker network. The division shall perform an annual  
1259 audit to verify that the Internet poker hub operators use such  
1260 funds solely for the statewide advertising, marketing, and  
1261 promotion of the play of intrastate Internet poker on a state  
1262 Internet poker network.

1263 4. One percent shall fund services related to the  
1264 prevention and treatment of compulsive and addictive gambling  
1265 provided by the entity that is under contract with the division  
1266 under s. 551.118(2). The division shall be responsible for the  
1267 distribution and audit of the funds under this subparagraph.

1268 (b) The distribution of the preceding monthly gross  
1269 receipts shall be by the 20th day of each calendar month.

1270 (c) The division shall ensure that all distributions are  
1271 made in accordance with this section and may adopt rules to  
1272 ensure the implementation and proper distribution of funds.

1273 (d) This subsection does not prevent individual cardrooms  
1274 or a number of cardroom affiliates from joining together in a  
1275 coalition for the purpose of the marketing and promotion of the  
1276 play of intrastate Internet poker on a state Internet poker

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1277 network.

1278 (27) SUSPENSION, REVOCATION, OR DENIAL OF LICENSE.—

1279 (a) The division may deny a license or the renewal of a  
1280 license, or may suspend or revoke any license, when the  
1281 applicant has: violated or failed to comply with section or any  
1282 rule adopted pursuant to this section; knowingly caused, aided,  
1283 abetted, or conspired with another to cause any person to  
1284 violate this section or any rule adopted pursuant to this  
1285 section; or obtained a license or permit by fraud,  
1286 misrepresentation, or concealment; or if the holder of the  
1287 license is no longer eligible under this section.

1288 (b) If a cardroom affiliate's pari-mutuel permit or license  
1289 is suspended or revoked by the division pursuant to chapter 550,  
1290 or its cardroom operator's license is suspended or revoked by  
1291 the division pursuant to s. 849.086, the division shall suspend  
1292 or revoke the cardroom affiliate's license. If a cardroom  
1293 affiliate's license is suspended or revoked under this section,  
1294 the division may, but is not required to, suspend or revoke the  
1295 licensee's cardroom operator's license.

1296 (28) PENALTIES.—The division may revoke or suspend any  
1297 Internet poker hub operator license or cardroom affiliate  
1298 license issued under this section upon the willful violation by  
1299 the licensee of this section or any rule adopted pursuant to  
1300 this section.

1301 (a) Notwithstanding any other provision of law, the  
1302 division may impose an administrative fine not to exceed \$10,000  
1303 for each violation against any person who has violated or failed  
1304 to comply with this section or any rule adopted pursuant to this  
1305 section.

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1306       (b) Notwithstanding any other provision of law, the  
1307 division may impose an administrative fine, not exceeding  
1308 \$100,000 for each count or separate offense, upon an Internet  
1309 poker hub operator or a cardroom affiliate for willfully  
1310 violating this section or any rule adopted pursuant to this  
1311 section.

1312       (c) All penalties imposed and collected under this section  
1313 shall be deposited into the Pari-mutuel Wagering Trust Fund.

1314       (29) RULEMAKING.—The division may adopt rules pursuant to  
1315 ss. 120.536(1) and 120.54 to administer the provisions of this  
1316 section.

1317       (30) LEGISLATIVE AUTHORITY; ADMINISTRATION OF SECTION.—The  
1318 Legislature finds and declares that it has exclusive authority  
1319 over the conduct of intrastate Internet poker in this state.  
1320 Only the Division of Pari-mutuel Wagering and other authorized  
1321 state agencies shall administer this section and regulate the  
1322 intrastate Internet poker industry in the state, including  
1323 operation of all Internet poker hub operators and cardroom  
1324 affiliates, play of authorized games, and the Internet poker  
1325 computer systems authorized in this section, as provided by law  
1326 and rules adopted by the division.

1327       Section 3. This act shall take effect July 1, 2011.