

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: CS/HB 1017 Seminole County
SPONSOR(S): Local, Federal & Veterans Affairs Subcommittee, Cortes, B.
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local, Federal & Veterans Affairs Subcommittee	14 Y, 0 N, As CS	Miller	Miller
2) Tourism & Gaming Control Subcommittee	8 Y, 5 N	Bowen	Barry
3) Government Accountability Committee	14 Y, 2 N	Miller	Williamson

SUMMARY ANALYSIS

Florida generally prohibits gambling, with limited exceptions set forth in state law. One such exception is the authorization for pari-mutuel facilities (horse tracks, dog tracks, and jai alai frontons) to operate a cardroom at the pari-mutuel facility. The games authorized for play in a cardroom are pari-mutuel-style games (i.e., poker). The pari-mutuel permitholder must apply for a separate license to operate a cardroom.

In addition to the other prerequisites the applicant must meet before qualifying for a cardroom license, an applicant must submit proof that the local government has approved the operation of a cardroom by the pari-mutuel facility. The local approval requirement contemplates a majority vote of the governing body of the municipality where the pari-mutuel facility is located or, if the facility is not located within a municipality, a majority vote by the county commission.

The bill creates an exception to general law by providing that the local government approval required to be eligible for a cardroom license in Seminole County may only be obtained from the Seminole County Commission in accordance with the referendum procedures for approval of casino gambling under the Seminole County Home Rule Charter, regardless of whether the facility is located in a municipality. Solely for purposes of this act, the bill deems the term "casino gambling" to include cardroom activities authorized or conducted according to statute.

According to House Rule 5.5(b), a local bill providing an exemption from general law may not be placed on the Special Order Calendar for expedited consideration. Since the bill creates an exemption to general law, the provisions of House Rule 5.5(b) apply.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Florida law generally prohibits gambling, defined as a game of chance played in any place by any device for money.¹ Exceptions to the general prohibition include the Florida Lottery,² pari-mutuel wagering³ on three types of horseracing,⁴ greyhound dog racing,⁵ and jai alai,⁶ slot machines at certain pari-mutuel facilities,⁷ authorized cardrooms,⁸ and specified gaming at certain tribal facilities.⁹

Only a licensed pari-mutuel permitholder may apply to operate a cardroom.¹⁰ Upon issuance of a cardroom license by the Department of Business and Professional Regulation, Division of Pari-Mutuel Wagering (Division), the pari-mutuel permitholder may operate a cardroom at the same facility where the permitholder is authorized to conduct its pari-mutuel activities.¹¹ Authorized cardroom games¹² are limited to pari-mutuel-style games where the participants play against each other instead of against the house (i.e., poker).¹³

In order to qualify for a cardroom license, the requirements include providing proof that the governing body of the local government where the pari-mutuel facility of the applicant is located has approved by majority vote the operation of a cardroom by the pari-mutuel facility. If the facility is not located within a municipality, then a majority vote of the governing body of the county is required.¹⁴ Currently, a countywide referendum is required only if the cardroom licensee seeks to change the location of the cardroom to a different facility.¹⁵

Seminole County

Seminole County currently has three pari-mutuel permitholders operating at two facilities and none has a valid license to operate a cardroom.¹⁶ The three permitholders are:

- SOKC, LLC, authorized to conduct greyhound racing at Sanford Orlando Kennel Club located in Sanford, Florida. PMW license number 152 (2017-2018).
- Penn Sanford, LLC, authorized to conduct greyhound at Sanford Orlando Kennel Club located in Sanford, Florida. PMW license number 158 (2017-2018).

¹ Section 849.08, F.S. The statute was first codified as Revised Statutes 2651, s. 1, ch. 4514 (1895).

² The Department of the Lottery is authorized by art. X, s. 15, Florida Constitution. Section 24.102, F.S., creates the Department of the Lottery.

³ “Pari-mutuel” means a system of betting on races or games in which the winners divide the total amount bet, after deducting management expenses and taxes, in proportion to the sums they have wagered individually and with regard to the odds assigned to particular outcomes. Section 550.002(22), F.S.

⁴ The definition of “horserace permitholder” specifies thoroughbred racing, harness racing, and quarter horse racing. Section 550.002(15), F.S.

⁵ See s. 550.002(29), F.S.

⁶ A ball game of Spanish origin played on a court with three walls. Section 550.002(18), F.S.

⁷ See art. X, s. 23, Fla. Const.; ch. 551, F.S.

⁸ Section 849.086, F.S.

⁹ Sections 285.710 and 285.712, F.S.

¹⁰ Section 849.086(2)(f), (5)(a), F.S.

¹¹ Section 849.086(5)(a), (7)(a), F.S.

¹² (A) “game or series of games of poker or dominoes which are played in a nonbanking manner.” Section 849.086(2)(a), F.S.

¹³ Section 849.086(1), F.S.

¹⁴ Section 849.086(16), F.S.

¹⁵ Section 849.086(17), F.S.

¹⁶ Seminole County is the only county in Florida with one or more pari-mutuel facilities that has not approved cardrooms.

- RB Jai Alai, LLC, authorized to conduct jai alai games at Orlando Live Events located in Fern Park, an unincorporated area of Seminole County, Florida. PMW license number 270 (2017-2018).¹⁷

The Seminole County Home Rule Charter specifically prohibits any form of casino gambling in the County unless “first authorized by an approving vote of a majority of the qualified electors residing in the County and voting on the question at a referendum separate and apart from any other referendum, statewide or otherwise, on the question.”¹⁸ The charter defines casino gambling as “playing or engaging in any game of chance for money or any other thing of value, regardless of how such game is named, labeled or otherwise characterized, which game was unlawful under the Constitution or laws of the State of Florida as of July 1, 1996.”¹⁹ Cardrooms were unlawful in Florida until January 1, 1997, when the Legislature authorized them at eligible pari-mutuel facilities through the enactment of s. 849.086, F.S.²⁰

Effect of the Bill

The bill creates an exception to general law by prescribing that the process for obtaining the required local approval for operation of a cardroom in Seminole County is the referendum process set forth in article V, s. 5.1 of the Seminole County Home Rule Charter. The charter process requires first the approval of the operation of a cardroom by the Seminole County electors voting in a referendum. If so approved, the Seminole County Commission may then determine whether to approve the operation of a cardroom. For purposes of the act only, the term “casino gambling” in the Seminole County Home Rule Charter is deemed to include all activities authorized by or conducted under s. 849.086, F.S.²¹

B. SECTION DIRECTORY:

Section 1: Creates an exception to s. 849.086(16), F.S., by providing that a countywide referendum followed by a majority vote of the Seminole County Commission, in accordance with article V, s. 5.1 of the Seminole County Home Rule Charter, is the sole method for obtaining the required local approval of a proposed cardroom necessary for the Division to issue a cardroom license to a pari-mutuel permitholder in Seminole County.

Section 2: Provides that the act takes effect upon becoming a law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? November 13, 2017

WHERE? Orlando Sentinel, published in Orange County and generally circulated in Seminole County

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?

¹⁷ See pari-mutuel licensing information, <http://www.myfloridalicense.com/dbpr/pmw/documents/CurrentPermitholdersList.pdf> (accessed 2/2/2018).

¹⁸ Seminole County Home Rule Charter, art. V, s. 5.1.A., available at https://www.seminolecountyfl.gov/_resources/pdf/seminolecountyhomerulecharter.pdf (accessed 2/2/2018).

¹⁹ *Id.* at s. 5.1.B.

²⁰ Ch. 96-364, s. 20, Laws of Fla.; Article V went into effect on Nov. 6, 1996. See art. V, s. 5.1.A, Seminole County Home Rule Charter.

²¹ Section 849.086, F.S.

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

The bill neither provides authority nor requires rulemaking by executive branch agencies.

C. DRAFTING ISSUES OR OTHER COMMENTS:

According to House Rule 5.5(b), a local bill providing an exemption from general law may not be placed on the Special Order Calendar for expedited consideration. Since the bill creates an exemption to general law, the provisions of House Rule 5.5(b) apply.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On January 10, 2018, the Local, Federal & Veterans Affairs Subcommittee adopted one amendment and approved the bill as a committee substitute. The amendment clarified that the local approval required for the Department of Business and Professional Regulation to issue a cardroom license to a pari-mutuel facility in Seminole County may only be obtained from the Seminole County Commission pursuant to the process established in art. V, s. 5.1 of the Seminole County Home Rule Charter (Charter). For purposes of the act only, the term "casino gambling" in the Charter is deemed to include all activities authorized or conducted under s. 849.086, F.S.