

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Appropriations

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BILL: SPB 2510

INTRODUCER: For consideration by Appropriations Committee

SUBJECT: Florida Gaming Control Commission

DATE: February 8, 2022

REVISED: \_\_\_\_\_

ANALYST

Davis

STAFF DIRECTOR

Sadberry

REFERENCE

ACTION

**Pre-meeting**

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**I. Summary:**

SPB 2510 conforms statutes to funding decisions related to the Florida Gaming Control Commission (commission) in SPB 2500, the Senate General Appropriations Act (GAA) for Fiscal Year 2022-2023. Specifically, the proposed bill:

- Deletes a requirement that each member of the commission be appointed from each one of the five appellate court districts in light of the Supreme Court's request to create a new Sixth Appellate District.
- Allows a person who has lobbied for a state agency to be appointed as a commissioner or employed as a commission employee.
- Moves the hearing and notice requirements exemption in ch. 120, F.S., for pari-mutuel stewards, judges, and boards of judges from the Division of Pari-mutuel Wagering (division) to the commission.
- Deletes the Pari-mutuel Wagering Trust Fund (PMW) from the Department of Business and Professional Regulation and, instead authorizes the commission to administer the PMW Trust Fund.
- Provides that the daily license fees for pari-mutuel wagering are to be used to fund the operating cost of the commission rather than the division and the proportionate share of the office of the secretary and administration. Provides that slot machine fees shall be used to fund the operating expenses of the commission rather than the division for slot machine regulation operations.
- Deletes the transfer of funds from the PMW Trust Fund to the General Revenue Fund.
- Deletes the transfer of excess funds from the slot machine regulation operations to the General Revenue Fund.
- Requires the commission to evaluate the license fee for slot machine regulatory requirements and make recommendations to the President and Speaker on the level of slot machine license fees by January 1, 2026.
- Provides that the game promotion statute (s. 849.094, F.S.) does not apply to actions regulated by the Florida Gaming Control Commission.

The bill takes effect July 1, 2022.

## **II. Present Situation:**

### **Gaming Commission**

The Florida Gaming Control Commission (commission) was created in 2021<sup>1</sup>, as an independent entity administratively housed within the Department of Legal Affairs, Office of Attorney General. The commission is a separate budget entity and serves as the agency head for all purposes. The commission's exercise of executive powers in the area of planning, budgeting, personnel management, and purchasing must conform to state law. The commission is not subject to control, supervision, or direction by the Department of Legal Affairs or the Attorney General in the performance of its duties, including but not limited to personnel, purchasing transactions involving real or personal property, and budget matters. The law creating the commission also transferred the Division of Pari-mutuel Wagering (division) within the Department of Business and Professional Regulation (DBPR) to the commission in order to consolidate the regulation of gaming in Florida.

### **Appointments to the Commission**

The commission consists of five members, one from each appellate district, to be appointed by the Governor by January 1, 2022, subject to Senate confirmation. Of the five members, at least one member must have at least 10 years of experience in law enforcement and criminal investigations, at least one member must be a certified public accountant licensed in this state with at least 10 years of experience in accounting and auditing, and at least one member must be an attorney admitted and authorized to practice law in this state for the preceding 10 years. After initial appointments to create staggered terms, all members will serve four year terms, but may not serve more than 12 years.

A person may not be appointed to the commission until after a level 2 background screening pursuant to ch. 435, F.S., is performed, the results are forwarded to the Governor, and the Governor determines that the person meets all the requirements for appointment. However, a person who is ineligible for appointment under s. 16.713, F.S., may not be appointed by the Governor.

For a period of two years immediately preceding appointment to, or employment with, the commission, and while appointed or employed with the commission, a person may not:

- Hold a permit or license issued under ch. 550, F.S., (Pari-mutuel Wagering), or a license issued under ch. 551, F.S., (Slot Machines), or ch. 849, F.S., (Gambling); be an officer, official, or employee of such permitholder or licensee; or be an ultimate equitable owner, as defined in s. 550.002(37), F.S., of such permitholder or licensee;
- Be an officer, official, employee, or other person with duties or responsibilities relating to a gaming operation owned by an Indian tribe that has a valid and active compact with the state; be a contractor or subcontractor of such tribe, or an entity employed, licensed, or contracted

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<sup>1</sup> See Chapter 2021-268, Laws of Florida.

by such tribe; or be an ultimate equitable owner, as defined in s. 550.002(37), F.S., of such entity;

- Be a registered lobbyist for the executive or legislative branch, except while a commissioner when officially representing the commission; or
- Be a bingo game operator or an employee of a bingo game operator.

### **Pari-mutuel Wagering Trust Fund (PMW)**

The PMW Trust Fund is the only funding source for the commission. Currently, any balance remaining in the trust fund in excess of \$1.5 million at the end of a fiscal year is transferred to the General Revenue Fund. For the 2021-2022 fiscal year, it is estimated the transfer to the General Revenue Fund is approximately \$22 million.

### **III. Effect of Proposed Changes:**

**Section 1** amends s. 16.71, F.S., to delete the requirement that each member of the commission be appointed from each of the five appellate court districts in light of the Supreme Court's request to create a new Sixth Appellate District. The bill does not change the number of members on the commission, which is five. This section also makes a technical change providing authority for the commission to administer the PMW Trust Fund.

**Section 2** amends s. 16.713, F.S., to provide an exception to the two-year lobbyist ban. Specifically, this section allows a registered lobbyist if they were a registered lobbyist for the executive or legislative branch while employed by a state agency immediately preceding their appointment, provided the individual has not lobbied on behalf of any other entity during the preceding 2 years before appointment or employment, to be appointed as a commissioner or employed as an employee.

**Sections 3, 4, and 6-10** amends ss. 120.80, 455.116, 551.106, 849.094, 550.0251, 550.24055, and 849.086, F.S., respectively, to make conforming and technical changes relating to the administration of the division from the DBPR to the commission.

**Section 5** amends s. 550.135, F.S., to delete the requirement that funds in excess of \$1.5 million remaining in the PMW Trust Fund at the end of a fiscal year be transferred to the General Revenue Fund in order to fund the commission.

**Section 11** provides the act takes effect July 1, 2022.

### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The projected transfer from the PMW Trust Fund to the General Revenue Fund will be reduced by an estimated \$10 million, which is needed for cash flow purposes within the commission.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 16.71, 16.713, 120.80, 455.116, 550.135, 551.106, 849.094, 550.0251, 550.24055, and 849.086.

**IX. Additional Information:**

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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