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## A bill to be entitled

An act relating to a gaming compact between the State of Florida and the Seminole Tribe of Florida; defining terms; providing that the previous compact between the Tribe and the Governor is not approved or ratified by the Legislature; directing the Governor to negotiate a gaming compact with the Tribe; specifying requirements and minimum standards for the compact; specifying the date on which the authority of the Governor to negotiate a compact expires; specifying games that may be authorized for play pursuant to the compact; specifying revenue sharing between the state and the Tribe; requiring the release of certain gaming revenues to the state; providing for the reduction of the Tribe's net win on which revenue sharing is based if additional Class III games are authorized under certain circumstances; providing for completion of the term of the compact in the event that the voters repeal a constitutional provision authorizing slot machines at certain pari-mutuel facilities; providing that the compact becomes void as the result of a judicial decision or decision of the Secretary of the United States Department of the Interior invalidating certain provisions of the compact; specifying limits on the term of a compact; limiting the number of facilities at which gaming may occur; specifying requirements for a central computer system on gaming facility premises; requiring that the system provide the state with access to certain data; specifying the

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authority of the state to oversee gaming activities by the Tribe; requiring medical professionals employed at the Tribe's gaming facilities to have certain minimum qualifications; requiring access for municipal or county emergency medical services; specifying minimum construction standards for the Tribe's gaming facilities; specifying minimum environmental standards; requiring the Tribe to establish procedures to dispose of tort claims; requiring the Tribe to maintain a minimum amount of general liability insurance for tort claims; prohibiting the Tribe or its insurer from invoking sovereign immunity under certain circumstances; requiring the Tribe to waive its sovereign immunity for disputes relating to the compact; requiring presuit arbitration of disputes relating to the compact; requiring the Tribe to maintain nondiscriminatory employment practices; requiring the Tribe to use its best efforts to spend its revenue in this state; providing legislative intent to review the compact; directing the Governor to negotiate agreements with Indian tribes in this state, subject to approval by the Legislature, relating to the application state taxes on Indian lands; amending s. 1013.737, F.S.; authorizing the state to pledge to use revenues from gaming activities to repay bonds; providing a contingent effective date.

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

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Section 1. As used in this act, the term:

- (1) "Agreement" means the document executed by the Seminole Tribe of Florida and the Governor on November 14, 2007, published in the Federal Register on January 7, 2008, subsequently invalidated by the Florida Supreme Court in the case of Florida House of Representatives, et al., v. Crist, No. SC07-2154.
- (2) "Class II gaming" means the forms of gaming defined in 25 U.S.C. s. 2703(7) and by the regulations of the National Indian Gaming Commission in effect on January 1, 2009.
- (3) "Class III gaming" means the forms of Class III gaming defined in 25 U.S.C. s. 2703(8) and by the regulations of the National Indian Gaming Commission in effect on January 1, 2009.
- (4) "Compact" means the compact between the Seminole Tribe of Florida and the State of Florida executed by the Tribe and the state pursuant to the provisions of the Indian Gaming Regulatory Act of 1988 and this act, and approved or deemed approved by the United States Department of the Interior pursuant to 25 U.S.C. s. 2710(d)(8).
- (5) "Net win" means gross gaming revenue for Class III games, as such games are defined by the federal Indian Gaming Regulatory Act of 1988, which is the difference between gaming wins and losses, before deducting costs and expenses.
- (6) "Revenue-sharing cycle" means a 12-month period, with the first such cycle beginning on the day the compact executed pursuant to this act is approved or deemed approved by the Secretary of the United States Department of the Interior, as evidenced by the date of publication in the Federal Register.
  - (7) "Tribe" means the Seminole Tribe of Florida.

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Section 2. The agreement executed by the Governor and the Tribe is not ratified or approved by the Legislature.

Section 3. (1) The Governor is hereby authorized and directed to execute a compact on behalf of the State of Florida with the Tribe pursuant to the federal Indian Gaming Regulatory Act of 1988, 18 U.S.C. ss. 1166-1168, and 25 U.S.C. s. 2701 et seq., and this act for the purpose of authorizing class III gaming on Seminole lands within this state.

- (2) The Legislature recognizes the efforts of the Governor and the Tribe in the negotiation and formulation of the agreement. The Legislature intends that the compact entered into pursuant to this act conform to the terms and standards in the agreement to the extent that such terms and standards do not conflict with the minimum terms and standards provided in this act.
- (3) A compact that meets all of the minimum terms and standards specified in this act does not require subsequent approval or ratification by the Legislature. The compact shall specify a procedure for amending the compact. Any amendment to the compact which is consistent with the minimum terms and standards provided in this act does not require subsequent approval or ratification by the Legislature.
- (4) If any provision of the compact relating to covered games, payments, suspension or reduction in payments, or exclusivity is held by a court of competent jurisdiction or by the Secretary of the United States Department of the Interior to be invalid, the compact is void.
- (5) The Governor shall ensure that all revenue sharing received pursuant to the compact and agreement is deposited into

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the Education Enhancement Trust Fund.

- (6) The Governor shall provide a copy of the compact to the President of the Senate and the Speaker of the House of Representatives as soon as it is executed by the state and the Tribe and before or simultaneous with its submission to the Department of the Interior.
- (7) The Governor shall preserve all documents, if any, which relate to the intent or interpretation of the compact, and maintain such documents for at least the term of the compact.
- (8) Except for the authority granted to the Governor in section 7 of this act, the authority granted to the Governor by this act expires at 11:59 p.m. on August 31, 2009.
- (9) Before entering into the compact, the Governor shall verify and ensure that the Tribe has the capacity to make the periodic revenue-sharing payments required by this act, and that the Tribe is reasonably expected to reach a minimum of \$1.37 billion in net win during at least the first three revenue-sharing cycles.
- (10) The compact shall also require that the Governor and the Tribe will use their best efforts to obtain the approval of the compact by the United Sates Department of the Interior.
- Section 4. The Division of Pari-mutuel Wagering of the

  Department of Business and Professional Regulation is designated
  as the state agency having the authority to carry out the

  state's oversight responsibilities under a compact authorized by
  this act.
- Section 5. (1) Notwithstanding any other provision of law to the contrary, the Governor is authorized to negotiate a compact with the Tribe to permit the Tribe to offer for play any

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of the following games that are permitted in this state under limited circumstances at licensed pari-mutuel facilities:

- (a) Slot machines, as defined in s. 551.102(8), Florida Statutes.
- (b)1. Charity celebrity poker tournaments, if the compact specifies the minimum percentage of the net proceeds from each poker tournament which must be donated to a charitable organization organized pursuant to s. 501(c)(3) of the Internal Revenue Code, limits the number of tournaments that may be held each year, limits the maximum number of days that tournaments may be played, and limits the frequency of the tournaments.
- 2. The compact shall permit the Tribe to conduct games of poker without betting limits if such games are authorized in this state to any person for any purpose.
- (c) Any devices or games that are authorized under state law to the Florida State Lottery, except that the Tribe may not offer such games through the Internet unless others in the state are permitted to do so.
- (d) Any new Class II game authorized by Florida law for any person for any purpose.
- (2) Notwithstanding any other provision of law to the contrary, a compact negotiated pursuant to this section shall permit the Tribe to offer for play banked card games, including baccarat, chemin de fer, and blackjack or 21, if blackjack or 21 is authorized for play at licensed pari-mutuel facilities located in Miami-Dade County or Broward County and chapter 551, Florida Statutes.
- (3) Notwithstanding any other provision of law to the contrary, a compact negotiated pursuant to this act shall permit

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the tribe to offer for play all of the following Class III games:

- (a) Roulette or roulette style games; and
- (b) Craps or craps style games.
- (4) For the purpose of satisfying the requirement in 25 U.S.C. s. 2710(d)(1)(B) that the gaming activities authorized under an Indian gaming compact must be permitted in the state for any purpose by any person, organization or entity, the Class III games specified in this section are hereby authorized to be conducted in Florida pursuant to a compact that meets all of the terms and standards required by this act.
- (5) (a) In consideration for authority to play the specified Class III games described in this section, the compact shall provide for revenue sharing through periodic payments to the state during the term of the compact. If net win in any cycle is less than or equal to \$2 billion, revenue sharing for that cycle shall be \$400 million. If net win in any cycle is more than \$2 billion and less than or equal to \$4 billion, revenue sharing for that cycle shall be \$400 million plus 10 percent of net win that is more than \$2 billion and less than or equal to \$4 billion. If net win in any cycle is more than \$4 billion, revenue sharing for that cycle shall be \$600 million plus 25 percent of net win that is over \$4 billion. However, revenue sharing may be:
- 1. Reduced or suspended if the net win in any cycle fails to reach \$1.37 billion and shall resume when the net win for a cycle or any subsequent period reaches \$1.37 billion.
  - 2. Reduced pursuant to subsection (10).
  - (b) The compact shall specify a process for determining the

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timing and amount of any reduction of revenue sharing payments.

The process shall provide the state with at least 30 days to review the Tribe's projection or determination that the net win for any cycle will or has failed to reach \$1.37 billion.

- (6) The compact may not provide for the elimination or reduction of revenue sharing based on the authorization of any Class III gaming by compact between the state and any other federally recognized tribe in this state pursuant to the Indian Gaming Regulatory Act.
- (7) Revenue sharing required by this section shall be in addition to assessments by the state, consistent with 25 U.S.C. s. 2710(d)(3)(C)(iii), in such amounts as are necessary to defray the costs of regulating activity conducted pursuant to the compact; payments, consistent with 25 U.S.C. s. 2710(b)(2)(B)(v), to help fund operations of local government agencies; any other provision of the compact relating to financial obligations of the Tribe; taxation by the Indian tribe, consistent with 25 U.S.C. 2710(d)(3)(C)(iv), of certain activities in amounts comparable to amounts assessed by the State for comparable activities; and any separate legal document obligating the Tribe to make payments or to share revenues.
- (8) In recognition of the fact that the Tribe has been conducting gaming consistent with the provisions of the agreement, all revenues shared or anticipated to be shared pursuant to that agreement before the date the compact is approved or deemed approved by the United States Department of the Interior shall be ratified and released to the State of Florida without further obligation or encumbrance. Acceptance of such funds by the state does not validate the agreement or the

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operation of the Class III gaming by the Tribe during the period a valid compact was not in effect.

- (9) In consideration for any additional Class III games authorized for the Tribe under subsection (3), the compact may not provide for the elimination or reduction of revenue sharing in the event that blackjack is authorized for play at licensed pari-mutuel facilities located in Miami-Dade County or Broward County.
- additional Class III games not specifically provided for in this act are authorized in this state, such event shall not result in the elimination of revenue-sharing payments under the compact, but shall provide that the Tribe's net win on which its revenue sharing is based be reduced by an amount reasonably calculated by the parties to equal the net win from any such additional Class III gaming activities that are authorized after the effective date of the compact. However, the compact may not permit a reduction in revenue sharing as the result of an authorization for additional Class III games in Gadsden, Liberty, and Franklin Counties or counties west of those counties.
- (11) The compact may not provide for the elimination or reduction of revenue sharing based on the authorization of historic racing or additional Class II gaming in this state, including any Class II electronic gaming machines that may be authorized for play at licensed pari-mutuel facilities anywhere in the state.
- (12) The provisions of the compact, including the revenue-sharing provisions, may not be reduced or eliminated by the

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existence of any gaming activities being conducted in Florida at the time this compact is ratified which are illegal or are of unsettled legal status as long as the state and its local governmental entities maintain at least their current reasonable level of enforcement actions against such illegal gaming activities.

- (13) If the Florida Constitution is amended to repeal the slot machine amendment in s. 23, Article X of the State

  Constitution, the Legislature authorizes the Seminoles to continue to offer the play of slot machines under the terms of the compact authorized pursuant to this section during the remainder of the term of the compact.
- (14) The compact shall provide that the compact is void if any provision of the compact relating to covered games, payments, reduction or suspension of payments, or exclusivity is held by a court of competent jurisdiction or determined by the Secretary of the United States Department of the Interior to be invalid.
- Section 6. The compact negotiated pursuant to this act must meet the following additional minimum terms and standards:
- (1) The compact shall provide for a term of at least 10 years and no more than 25 years.
- (2) The compact shall authorize the Tribe to offer the play of specified Class III games at no more than seven existing Seminole Tribe of Florida gaming facilities. The compact shall identify the specific lands, locations, and existing gaming facilities on which the Tribe is authorized to offer the play of such games under the compact. The compact may permit any identified facility to be expanded or replaced by another

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facility on the same reservation with advance notice to the

State of no less than 60 calendar days, but the number of
existing facilities on each reservation shall remain the same.

- (3) The compact shall provide that all gaming machines on the premises of the authorized facilities will be connected to a central computerized reporting and auditing system on the gaming facility premises. The system shall:
- (a) Collect on a continual basis the unaltered activity of each gaming machine in use at the gaming facility.
- (b) Provide access to the state by a dedicated telecommunications connection, on a "read-only" basis, upon entry of appropriate security codes and permit access to and downloads of the wager and payout data of each machine, electronically captured by the central computer. However, the compact may not authorize the state to alter or affect the operation of any gaming machine or other device on the premises of the authorized gaming facility or the data provided to the central computer.
- (c) Be constructed and installed at the Tribe's expense to provide electronic access to the state for the machine wager and payout data collected by the central computer.
- (d) Be designed in conjunction with the state and the Tribe's technical staff so as to preserve the integrity of the system and the data contained therein, to minimize any possibility of unauthorized access to the system or tampering with the data, and to minimize any access by the state to information other than machine wager and payout data residing in the central reporting and auditing system.
  - (4) The compact shall designate the Division of Pari-mutuel

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Wagering of the Department of Business and Professional
Regulation as the state agency authorized to carry out the
state's oversight responsibilities under the compact.

- (5) The compact shall require the state to monitor the Tribe's compliance with the provisions of the compact, and:
- (a) Permit the state to have access, during regular hours of operation, to any public areas of each gaming facility that is conducting gaming activities under the authority of the compact without prior notice, or with concurrent notice, and to any nonpublic area of the facilities without prior notice, or with concurrent notice;
- (b) Permit the state to conduct oversight testing, including random inspections, of any games or devices authorized under the compact;
- (c) Provide for annual audits by the state or an independent third party to review slot machine and other Class III gaming compliance under the terms of the compact;
- (d) Require an annual independent financial audit to verify compliance with any obligations of the Seminole Tribe of Florida under the compact, including financial and auditing provisions, which audit shall be paid by the Tribe; and
- (e) Permit the state to inspect, review, and receive requested copies of any records of the Tribe which it deems necessary to verify compliance with any gaming or financial obligations of the Seminole Tribe of Florida under the compact.
  - (6) The compact may not:
- (a) Limit the number of times or opportunities that the state may inspect any covered games or gaming devices in operation at facilities on a random basis to confirm that the

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operation and play of the games or devices conform to

manufacturer's technical standards or to the standards specified
in the compact; or

- (b) Limit the number of times the state may review internal controls and violations by authorized facilities.
  - (7) The compact shall require the Tribe to:
- (a) Employ, permit, or authorize only medical professionals at its gaming facilities who are licensed by this state; and
- (b) Allow unimpeded access to the gaming facilities by municipal or county emergency medical services.
- (8) The compact shall require the Tribe to ensure that the construction and maintenance of gaming facilities will comply with standards that are at least as stringent as the Florida Building Code.
- (9) The compact shall provide that, at a minimum, the environmental requirements of any federal permit must ensure that the standards established for the state's environmental resource permitting program as provided for in s. 373.414, Florida Statutes, are met.
- (10) The compact shall require the Tribe to establish written, reasonable procedures for the disposition of tort claims arising from personal injury or property damage alleged to have been suffered by patrons and invitees of its authorized gaming facilities and to enact such tribal law as is necessary to implement these procedures. The procedures shall include all such tort claims, including claims that exceed the liability insurance limits specified in subsection (11). The procedures shall include all time limits that are applicable to the disposition of the tort claim and a provision that, upon

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request, the patron or invitee, or the patron's or invitee's designated representative, shall be provided with a copy of the procedures as well as the name, address, and telephone number of the operator of the facility and the mailing address and telephone number of the clerk of the Tribe's tribal court. The Tribe shall not be deemed to have waived its sovereign immunity from suit with respect to such claims by establishing such procedures but must agree not to assert its sovereign immunity with respect to such claims as provided in subsection (11).

- (11) The compact shall provide that, during the term of the compact, the Tribe shall maintain a policy of commercial general liability insurance which has a combined single limit for personal injury and property damage of not less than \$2 million per occurrence and in the aggregate. The compact shall require the amount of the coverage to be adjusted annually based on increases in the Consumer Price Index. The insurance policy shall:
- (a) Prohibit the insurer or the Tribe from invoking tribal sovereign immunity up to the limits of the policy with respect to any claim covered under the policy and disposed of in accordance with the Tribe's tort claim procedures.
- (b) Include covered claims made by a patron or invitee for personal injury or property damage.
- (c) Permit the insurer or the Tribe to assert any statutory or common law defense other than sovereign immunity.
- (d) Provide that any award or judgment rendered in favor of a patron or invitee shall be satisfied solely from insurance proceeds.
  - (12) The compact shall provide a reasonable process for the

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expedited resolution of disputes between the state and the Tribe
which arise under the compact. The compact shall:

- (a) Provide that the Tribe waives its sovereign immunity as to any disputes between the state and the Tribe arising out of the compact.
- (b) Require presuit nonbinding arbitration before a lawsuit can be filed concerning the dispute.
- (c) Provide that either party may demand presuit nonbinding arbitration to resolve any dispute between the parties arising under the compact.
- 1. The party demanding the presuit nonbinding arbitration shall immediately ask the American Arbitration Association to furnish a list of 11 arbitrators, each of whom shall have at least 5 years of commercial arbitration experience and no financial interest in or prior relationship with any of the parties or their affiliated or related entities or principals.
- 2. The state and the Tribe shall each select a single arbitrator from the list provided by the American Arbitration Association within 10 days after receipt, and the individuals so selected shall choose one additional arbitrator from the list within the next 10 days. The three arbitrators selected shall constitute the panel that shall arbitrate the dispute between the parties pursuant to the American Arbitration Association Commercial Arbitration Rules and chapter 682, Florida Statutes.
- 3. At the conclusion of the proceedings, which shall be no later than 90 days after the demand for arbitration, the arbitration panel shall present to the parties a proposed agreement that the majority of the panel believes equitably balances the rights, interests, obligations, and reasonable

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expectations of the parties.

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- 4. The parties shall, within 10 days after the arbitration panel's issuance of the proposed agreement, enter into such agreement or notify the opposing party of its intent to reject the agreement and proceed with a lawsuit to resolve the dispute.
- 5. Each party shall pay its respective costs of arbitration and shall pay one-half of the costs of the arbitration panel.
- (13) The compact shall provide for the exercise of fair employment practices by the Tribe. The compact shall require the Tribe to maintain employment standards that are comparable to the standards provided in federal laws and state laws which forbid employers from discriminating in connection with employment of persons working at the gaming facilities identified under the compact on the basis of race, color, religion, natural origin, gender, age, disability or handicap, or marital status. The Tribe may give preference in employment, promotion, seniority, layoffs, or retention to members of the Tribe and other federally recognized Tribes. The Tribe shall provide a process for employee disputes which permits the employee to be represented by an attorney or other legally authorized representative. The process shall permit the employee to use language interpreters, including interpreters for the deaf or hard of hearing.
- (14) The compact shall provide that the Tribe will use its best efforts to spend its revenue in this state to acquire goods and services from Florida-based vendors, professionals, and material and service providers.
- (15) It is the intent of the Legislature to review a compact entered into under the provisions of this section every

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5 years. It is the intent of the Legislature to consider the authorization of additional Class III games for operation by the Tribe based upon successful implementation of the compact and the history of compliance with the compact.

Section 7. The Governor of this state is hereby authorized and directed to execute an agreement on behalf of the State of Florida with the Indian tribes in this state, acting on a government-to-government basis, to develop and implement a fair and workable arrangement to apply state taxes on persons and transactions on Indian lands. Such agreements shall address the imposition of specific taxes and exemptions from those taxes. An agreement executed by the Governor pursuant to the authority granted in this section shall not take effect unless approved or ratified by the Legislature.

Section 8. Subsection (3) of section 1013.737, Florida Statutes, is amended to read:

1013.737 The Class Size Reduction Lottery Revenue Bond Program.—There is established the Class Size Reduction Lottery Revenue Bond Program.

(3) The state hereby covenants with the holders of such revenue bonds that it will not take any action that will materially and adversely affect the rights of such holders so long as bonds authorized by this section are outstanding. The state does hereby additionally authorize the establishment of a covenant in connection with the bonds which provides that any additional funds received by the state from new or enhanced lottery programs; video gaming; banking card games including baccarat, chemin de fer, or blackjack; electronic or electromechanical facsimiles of any game of chance; casino

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games; slot machines;  $\tau$  or other similar activities will first be available for payments relating to bonds pledging revenues available pursuant to s. 24.121(2), prior to use for any other purpose.

Section 9. This act shall take effect on the same date that section 1 of CS for SB 836, or similar legislation, takes effect if such legislation is adopted during the 2009 legislative session, or an extension thereof, and becomes law.