

By the Committee on Regulated Industries; and Senator Fasano

580-2210-07

1 A bill to be entitled
2 An act relating to cardrooms; amending s.
3 849.086, F.S.; defining the term "authorized
4 game facilitated by electronic equipment";
5 providing that a provision making certain
6 activities concerning games a crime does not
7 authorize certain games or machines;
8 authorizing rulemaking by the Division of
9 Pari-mutuel Wagering of the Department of
10 Business and Professional Regulation concerning
11 authorized games facilitated by electronic
12 equipment; authorizing the division to approve
13 laboratories that may certify that gaming
14 equipment in authorized games facilitated by
15 electronic equipment meets specified criteria;
16 authorizing certain horserace, greyhound race,
17 or jai alai permitholders licensed under ch.
18 849, F.S., to operate a cardroom at the
19 pari-mutuel facility during designated times;
20 deleting provisions authorizing the operation
21 of a cardroom only when a live pari-mutuel
22 event is conducted at the facility or when live
23 racing is occurring within a 35-mile area;
24 exempting a cardroom operator from requirements
25 concerning a dealer at tables with authorized
26 games facilitated by electronic equipment;
27 excluding authorized games facilitated by
28 electronic gaming equipment from the activities
29 prohibited under ch. 849, F.S.; providing an
30 effective date.
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1 Be It Enacted by the Legislature of the State of Florida:

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3 Section 1. Subsections (2), (3), and (4), paragraphs
4 (b) and (c) of subsection (7), paragraph (b) of subsection
5 (8), and paragraph (c) of subsection (12) of section 849.086,
6 Florida Statutes, are amended to read:

7 849.086 Cardrooms authorized.--

8 (2) DEFINITIONS.--As used in this section:

9 (a) "Authorized game" means a game or series of games
10 of poker which are played in a nonbanking manner.

11 (b) "Authorized game facilitated by electronic
12 equipment" means an authorized game that:

13 1. Is an electronic poker table that allows players to
14 play a game electronically without a human dealer and that
15 electronically shuffles, deals, pays pots, and otherwise
16 conducts an authorized game; and

17 2. Uses gaming equipment that is certified by an
18 independent testing laboratory approved by the division as a
19 mathematically random process with equal probability for each
20 card.

21 ~~(c)(b)~~ "Banking game" means a game in which the house
22 is a participant in the game, taking on players, paying
23 winners, and collecting from losers or in which the cardroom
24 establishes a bank against which participants play.

25 ~~(d)(e)~~ "Cardroom" means a facility where authorized
26 card games are played for money or anything of value and to
27 which the public is invited to participate in such games and
28 charged a fee for participation by the operator of such
29 facility. Authorized games and cardrooms do not constitute
30 casino gaming operations.

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1 ~~(e)~~(d) "Cardroom management company" means any
2 individual not an employee of the cardroom operator, any
3 proprietorship, partnership, corporation, or other entity that
4 enters into an agreement with a cardroom operator to manage,
5 operate, or otherwise control the daily operation of a
6 cardroom.

7 ~~(f)~~(e) "Cardroom distributor" means any business that
8 distributes cardroom paraphernalia such as card tables,
9 betting chips, chip holders, drop boxes, banking supplies,
10 playing cards, card shufflers, and other associated equipment
11 to authorized cardrooms.

12 ~~(g)~~(f) "Cardroom operator" means a licensed
13 pari-mutuel permitholder which holds a valid permit and
14 license issued by the division pursuant to chapter 550 and
15 which also holds a valid cardroom license issued by the
16 division pursuant to this section which authorizes such person
17 to operate a cardroom and to conduct authorized games in such
18 cardroom.

19 ~~(h)~~(g) "Division" means the Division of Pari-mutuel
20 Wagering of the Department of Business and Professional
21 Regulation.

22 ~~(i)~~(h) "Gross receipts" means the total amount of
23 money received by a cardroom from any person for participation
24 in authorized games.

25 ~~(j)~~(i) "House" means the cardroom operator and all
26 employees of the cardroom operator.

27 ~~(k)~~(j) "Net proceeds" means the total amount of gross
28 receipts received by a cardroom operator from cardroom
29 operations less direct operating expenses related to cardroom
30 operations, including labor costs, admission taxes only if a
31 separate admission fee is charged for entry to the cardroom

1 facility, gross receipts taxes imposed on cardroom operators
2 by this section, the annual cardroom license fees imposed by
3 this section on each table operated at a cardroom, and
4 reasonable promotional costs excluding officer and director
5 compensation, interest on capital debt, legal fees, real
6 estate taxes, bad debts, contributions or donations, or
7 overhead and depreciation expenses not directly related to the
8 operation of the cardrooms.

9 ~~(1)(k)~~ "Rake" means a set fee or percentage of the pot
10 assessed by a cardroom operator for providing the services of
11 a dealer, table, or location for playing the authorized game.

12 (3) CARDROOM AUTHORIZED.--Notwithstanding any other
13 provision of law, it is not a crime for a person to
14 participate in an authorized game at a licensed cardroom or to
15 operate a cardroom described in this section if such game and
16 cardroom operation are conducted strictly in accordance with
17 the provisions of this section. This subsection does not
18 authorize video poker games or any other game or machine:

19 (a) That is not otherwise authorized under the law of
20 this state; or

21 (b) As authorized in a licensed slot machine facility.

22 (4) AUTHORITY OF DIVISION.--The Division of
23 Pari-mutuel Wagering of the Department of Business and
24 Professional Regulation shall administer this section and
25 regulate the operation of cardrooms under this section and the
26 rules adopted pursuant thereto, and ~~may is hereby authorized~~
27 ~~to:~~

28 (a) Adopt rules, including, but not limited to: the
29 issuance of cardroom and employee licenses for cardroom
30 operations; the operation of a cardroom; the procedures and
31 operation of authorized games facilitated by electronic

1 equipment; recordkeeping and reporting requirements; and the
2 collection of all fees and taxes imposed by this section.

3 (b) Conduct investigations and monitor the operation
4 of cardrooms and the playing of authorized games therein.

5 (c) Review the books, accounts, and records of any
6 current or former cardroom operator.

7 (d) Suspend or revoke any license or permit, after
8 hearing, for any violation of the provisions of this section
9 or the administrative rules adopted pursuant thereto.

10 (e) Take testimony, issue summons and subpoenas for
11 any witness, and issue subpoenas duces tecum in connection
12 with any matter within its jurisdiction.

13 (f) Monitor and ensure the proper collection of taxes
14 and fees imposed by this section. Permitholder internal
15 controls are mandated to ensure no compromise of state funds.
16 To that end, a roaming division auditor will monitor and
17 verify the cash flow and accounting of cardroom revenue for
18 any given operating day.

19 (g) Approve the independent testing laboratories that
20 are authorized to certify the gaming equipment in authorized
21 games facilitated by electronic equipment as a mathematically
22 random process with equal probability for each card.

23 (7) CONDITIONS FOR OPERATING A CARDROOM.--

24 (b) Any horserace, greyhound race, or jai alai
25 permitholder licensed under this chapter may operate a
26 cardroom at the pari-mutuel facility on any day between the
27 hours of 12 noon and 12 midnight if the permitholder meets the
28 requirements under paragraph (5)(b). A cardroom may be
29 ~~operated at the facility only when the facility is authorized~~
30 ~~to accept wagers on pari mutuel events during its authorized~~
31 ~~meet. A cardroom may operate between the hours of 12 noon and~~

1 ~~12 midnight on any day a pari mutuel event is conducted live~~
2 ~~as a part of its authorized meet. However, a permitholder who~~
3 ~~holds a valid cardroom license may operate a cardroom between~~
4 ~~the hours of 12 noon and 12 midnight on any day that live~~
5 ~~racing of the same class of permit is occurring within 35~~
6 ~~miles of its facility if no other holder of that same class of~~
7 ~~permit within 35 miles is operating a cardroom at such time~~
8 ~~and if all holders of the same class of permit within the~~
9 ~~35 mile area have given their permission in writing to the~~
10 ~~permitholder to operate the cardroom during the designated~~
11 ~~period.~~ Application to operate a cardroom under this paragraph
12 must be made to the division as part of the annual license
13 application.

14 (c) A cardroom operator must at all times employ and
15 provide a nonplaying dealer, except for authorized games
16 facilitated by electronic equipment, for each table on which
17 authorized card games that ~~which~~ traditionally use ~~utilize~~ a
18 dealer are conducted at the cardroom. Such dealers may not
19 have any participatory interest in any game other than the
20 dealing of cards and may not have an interest in the outcome
21 of the game. The providing of such dealers by a licensee shall
22 not be construed as constituting the conducting of a banking
23 game by the cardroom operator.

24 (8) METHOD OF WAGERS; LIMITATION.--

25 (b) The cardroom operator may limit the amount wagered
26 in any game or series of games, but the maximum bet may not
27 exceed \$2 in value. There may not be more than three raises in
28 any round of betting. The fee charged by the cardroom for
29 participation in the game may ~~shall~~ not be included in the
30 calculation of the limitation on the bet amount provided in
31 this paragraph.

1 (12) PROHIBITED ACTIVITIES.--

2 (c) No electronic or mechanical devices, except
3 mechanical card shufflers or authorized games facilitated by
4 electronic gaming equipment, may be used to conduct any
5 authorized game in a cardroom.

6 Section 2. The act shall take effect July 1, 2007.

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8 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
9 COMMITTEE SUBSTITUTE FOR
10 Senate Bill 1192

11 The Committee Substitute deletes the amendment to s.
12 849.086(2)(a), F.S., that replaced "poker" with "cards" as an
authorized game.

13 It creates the definition of "authorized game facilitated by
14 electronic equipment" in s. 849.086(2)(b), F.S., and defines it
15 as an electronic poker table that allows players to play a
16 game electronically without a human dealer and that
17 electronically shuffles, deals, pays pots, and otherwise
conducts an authorized game. The gaming equipment must be
certified by an independent testing laboratory approved by the
division as a mathematically random process with equal
probability for each card.

18 It amends s. 849.086(3), F.S., to provide that authorized
19 games at a licensed cardroom does not include video poker
20 games or any other game or machine that is not otherwise
authorized under Florida law or as authorized in a licensed
slot machine facility.

21 It amends s. 849.086(4)(a), F.S., to provide rule authority
22 for the procedures and operation of authorized games
facilitated by electronic equipment.

23 It creates language that allows for the approval of
24 independent testing laboratories that are authorized to
certify the gaming equipment.

25 It changes the amendment to s. 849.086(7)(b), F.S., by
26 providing that in order to operate from 12 noon to 12 midnight
the cardroom licensee needs to meet the racing requirements
27 provided in s. 849.086(5)(b), F.S., which provides for
issuance and renewal of cardrooms licenses.

28 It deletes the amendment to s. 849.086(8)(b) F.S., that
29 provided for a card game that allowed for single wager per
30 hand rather than multiple rounds of betting with a maximum
31 wager of \$40.