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.)

Prepared By: The Professional Staff of the Committee on Gaming

BILL:	SPB 7052
INTRODUCER:	For consideration by the Gaming Committee
SUBJECT:	Gaming
DATE:	February 28, 2014
REVISED:	

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Kraemer	Guthrie		**Pre-meeting**

I. Summary:

SPB 7052 is a reorganization of Chapter 550 (Pari-mutuel Wagering), Chapter 551 (Slot Machines), and laws that address authorized cardroom and games (bingo, commercial sweepstakes, amusement arcades, bowling tournaments, and penny-ante games) that are currently addressed in Chapter 849 (Gambling) which is part of the Criminal Code.

In addition, the bill:

- Creates a Joint Legislative Gaming Control Oversight Committee with jurisdiction on gaming control and the state lottery;
- Transfers the Division of Pari-Mutuel Wagering to a new Department of Gaming Control, headed by a 5-member board appointed by the Governor;
- Authorizes the Governor to negotiate amendments to the Seminole Gaming Compact, subject to ratification by the Legislature;
- Authorizes the Gaming Control Board to issue "invitations to negotiate" for awarding one destination casino resort in Miami-Dade County and one destination casino resort in Broward County, subject in each county to approval in a countywide referendum;
- Updates specifications and prize limits for amusement games or machines;
- Provides for injury reporting at greyhound tracks or kennels; and
- Requires a greyhound racing facility operating a cardroom to conduct a full schedule of live races (instead of 90 percent of the number of races in the prior year).

The fiscal impact of this bill is indeterminate at this time. While a type-two transfer provides positions and budget to the new entity, additional workload plus costs associated with creating a new agency also may require additional resources. The Committee on Appropriations will prepare a fiscal impact statement for future staff analyses related to this bill. Similarly, revenue estimates have not been determined. The Spectrum Gambling Impact Study estimated that two destination resorts in Miami-Dade and Broward Counties would net 14,000 jobs and $365 million per year in net gaming taxes. The Revenue Estimating Conference has not yet determined the revenue impact of this bill. It will use different assumptions than Spectrum and

will get different estimates. Official revenue estimates will be included in future staff analyses related to this bill.

II. Present Situation:

In general, gambling is illegal in Florida.[1] Chapter 849, F.S., prohibits keeping a gambling house,[2] running a lottery,[3] or the manufacture, sale, lease, play, or possession of slot machines.[4]

Section 7 of Article X of the 1968 State Constitution provides, "Lotteries, other than the types of pari-mutuel pools authorized by law as of the effective date of this constitution, are hereby prohibited in this state."[5]

Section 15 of Article X of the State Constitution (adopted by the electors in 1986) provides for state operated lotteries:

> Lotteries may be operated by the state…. On the effective date of this amendment, the lotteries shall be known as the Florida Education Lotteries. Net proceeds derived from the lotteries shall be deposited to a state trust fund, to be designated The State Education Lotteries Trust Fund, to be appropriated by the Legislature. The schedule may be amended by general law.

Section 24.102, F.S., creates the Department of the Lottery and states the Legislature's intent that it be self-supporting and revenue-producing and function as an entrepreneurial business enterprise.[6]

Section 23 of Article X of the State Constitution (adopted by the electors in 2004) provides for slot machines in Miami-Dade and Broward Counties:

> After voter approval of this constitutional amendment, the governing bodies of Miami-Dade and Broward Counties each may hold a county-wide referendum in their respective counties on whether to authorize slot machines within existing, licensed parimutuel facilities (thoroughbred and harness racing, greyhound racing, and jai-alai) that have conducted live racing or games in that county during each of the last two calendar years before the effective date of this amendment. If the voters of such county approve the referendum question by majority vote, slot machines shall be authorized in such parimutuel facilities. If the voters of such county by majority vote disapprove the referendum question, slot machines shall not be so authorized, and the question shall not be presented in another referendum in that county for at least two years.

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[1] Section 849.08, F.S.
[2] Section 849.01, F.S.
[3] Section 849.09, F.S.
[4] Section 849.16, F.S., defines slot machines for purposes of ch. 849, F.S. Section 849.15(2), F.S., provides an exemption to the transportation of slot machines for the facilities that are authorized to conduct slot machine gaming under ch. 551, F.S.
[5] The pari-mutuel pools that were authorized by law on the effective date of the Florida Constitution, as revised in 1968, include horseracing, greyhound racing, and jai alai games. The revision was ratified by the electorate on November 5, 1968.
[6] The Department of the Lottery is authorized by s. 15, Art. X, Florida Constitution. Chapter 24, F.S., was enacted by ch. 87-65, L.O.F., to establish the state lottery. Section 24.102, F.S., provides the legislative purpose and intent in regard to the lottery.

Chapter 285, F.S., ratified the gaming compact with the Seminole Tribe of Florida. It provides that it is not a crime for a person to participate in raffles, drawings, slot machine gaming, or banked card games (e.g., blackjack or baccarat) at a tribal facility operating under the compact.[7] The compact provides for revenue sharing. For its exclusive authority to offer banked card games on tribal lands at five locations and to offer slot machine gaming outside Miami-Dade and Broward Counties, the Seminole Tribe pays the State of Florida a share of "net win" (approximately $240 million per year). Section 285.710(1)(f), F.S., designates the Division of Pari-mutuel Wagering of the Department of Business and Professional Regulation as the "state compliance agency" having authority to carry out the state's oversight responsibilities under the compact.

The compact was executed by the Governor and the Tribe on April 7, 2010;[8] ratified by the Legislature, effective April 28, 2010;[9] and approved by U.S. Secretary of the Interior, pursuant to the Indian Gaming Regulatory Act of 1988, on June 24, 2010. It took effect when published in the Federal Register on July 6, 2010. The 20-year compact expires July 31, 2030, unless renewed.

Exclusive authorization to conduct banked card games, however, expires July 31, 2015, unless renewed. If either: (1) authorization for banked card games is not extended beyond five years, or (2) the Legislature authorizes Class III (casino-style) games in Broward or Miami-Dade County other than at the eight existing state-licensed pari-mutuel locations,[10] then "net win" for revenue sharing will exclude amounts from Tribe's facilities in Broward County (i.e., payments will be reduced by approximately $120 million per year). If the Legislature authorizes new Class III (casino-style) games outside Broward and Miami-Dade Counties, then all revenue sharing is discontinued.[11]

Chapter 550, F.S., authorizes pari-mutuel wagering at licensed tracks and frontons and provides for state regulation.[12] Chapter 551, F.S., authorizes slot machine gaming at the location of certain

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[7] *See* Section 285.710, F.S., especially subsections (3), (13), and (14). The seven tribal locations where gaming is authorized by the compact are: (1) Seminole Hard Rock Hotel & Casino—Hollywood (Broward); (2) Seminole Indian Casino—Coconut Creek (Broward); (3) Seminole Indian Casino—Hollywood (Broward); (4) Seminole Hard Rock Hotel & Casino—Tampa (Hillsborough); (5) Seminole Indian Casino—Immokalee (Collier); (6) Seminole Indian Casino—Brighton (Glades); and (7) Seminole Indian Casino—Big Cypress (Hendry). Banked card games are not authorized at the Brighton and Big Cypress casinos.

[8] *Gaming Compact Between the Seminole Tribe of Florida and the State of Florida,* April 27, 2010; *See* http://www.myfloridalicense.com/dbpr/pmw/documents/2010_Compact-Signed1.pdf (last visited February 27, 2014)

[9] Chapter 2010-29, Laws of Fla.

[10] If new games (e.g., banked card games or other table games) are authorized at any of the eight existing pari-mutuel locations, Tribe's revenue sharing percentage is reduced by 50% of any decline in net win from its three Broward casinos. The eight existing pari-mutuel locations are: (1) Calder Race Course—Miami Gardens (Miami-Dade); (2) Dania Jai Alai—Dania Beach (Broward); (3) Gulfstream Park—Hallandale Beach (Broward); (4) Hialeah—Hialeah (Miami-Dade); (5) Isle of Capri/Pompano Park—Pompano Beach (Broward); (6) Magic City Jai Alai/Flagler Greyhound Track—Miami (Miami-Dade); (7) Mardi Gras—Hallandale Beach (Broward); (8) Miami Jai Alai—Miami (Miami-Dade).

[11] Revenue sharing will not be terminated by authorization to conduct the following existing games: (1) gaming authorized by compacts with other federally recognized tribes; (2) specified State Lottery games, state-licensed pari-mutuel wagering, and state-licensed card rooms; (3) games authorized pursuant to ch. 849, F.S., as of February 1, 2010 (e.g., card rooms, penny-ante games, charitable bingo, sweepstakes, amusement games or machines); (4) slot machines at eight existing pari-mutuel facilities in Broward and Miami-Dade Counties; and (5) specified historic racing machines.

[12] *See* ch. 550, F.S., relating to the regulation of pari-mutuel activities.

licensed pari-mutuel locations in Miami-Dade County or Broward County and provides for state regulation.[13] Chapter 849, F.S., authorizes cardrooms at certain pari-mutuel facilities,[14] A license to offer pari-mutuel wagering, slot machine gambling, or a cardroom at a pari-mutuel facility is a privilege granted by the state.[15]

Chapter 849, F.S., also authorizes, with conditions, penny-ante games,[16] bingo,[17] charitable drawings, game promotions (sweepstakes),[18] bowling tournaments, and amusement games and machines.[19]

Except for the Seminole Gaming Compact, free-standing, commercial casinos are not authorized, and gaming activity, other than what is expressly authorized, is illegal.

III. Effect of Proposed Changes:

Section 1 amends s. 11.93, F.S., to create the Joint Legislative Gaming Control Oversight Committee (committee). The committee is composed of seven members of the Senate appointed by the President of the Senate and seven members of the House of Representatives appointed by the Speaker of the House of Representatives. All members serve at the pleasure of the appointing officer, and the offices of the chair and the vice chair alternate each year.

The committee is governed by the joint rules of the legislature and must meet at least quarterly at the call of the President and Speaker. A majority of the committee members of each house constitutes a quorum. Action by the committee requires a majority vote of the members appointed by each house. The committee is staffed by legislative staff members assigned by the President and the Speaker.

The committee shall review implementation of and compliance with Chapters 24, 551, and 849, F.S., to ensure that laws are not misinterpreted or abused in any manner that expands gaming or gambling in this state. The committee has subpoena powers and may review any matter within the scope of the jurisdiction of the Department of Gaming Control (department) or the Department of the Lottery, particularly:

- Procedures used by the Department of Gaming Control or the Gaming Control Board qualify applicants for licensure and regulate licensees; and

[13] *See* ch. 551, F.S., relating to the regulation of slot machine gaming at pari-mutuel locations.
[14] Section 849.086, F.S. Section 849.086(2)(c), F.S., defines "cardroom" to mean a facility where authorized card games are played for money or anything of value and to which the public is invited to participate in such games and charges a fee for participation by the operator of such facility.
[15] *See* section 550.1625(1), F.S., "…legalized pari-mutuel betting at dog tracks is a privilege and is an operation that requires strict supervision and regulation in the best interests of the state." *See also Solimena v. State,* 402 So.2d 1240, 1247 (Fla. 3d DCA 1981), review denied, 412 So.2d 470, which states "Florida courts have consistently emphasized the special nature of legalized racing, describing it as a privilege rather than as a vested right", citing *State ex rel. Mason v. Rose,* 122 Fla. 413, 165 So. 347 (1936).
[16] Section 849.085, F.S.
[17] Section 849.0931, F.S.
[18] Section 849.094, F.S., authorizes game promotions in connection with the sale of consumer products or services.
[19] Section 849.161, F.S.

- Procedures used by the Department of the Lottery to select games or to contract for promotions, advertising, vendors, or retailers.

The committee chair may schedule hearings, and if the committee determines that enforcement of gaming laws may be enhanced through additional legislation or other action, it shall deliver written recommendations and proposed statutory changes to the President and the Speaker.

Section 2 amends s 20.165, F.S., to remove reference to the Division of Pari-Mutuel Wagering as a division of the Department of Business and Professional Regulation (DBPR).

Section 3 amends s. 20.222, F.S., to create the Department of Gaming Control (department). The head of the department is the Gaming Control Board (board). There are five divisions of the department: the Division of Accounting and Auditing, the Division of Investigations and Security, the Division of Licensing, the Division of Operations, and the Division of Prosecution.

Section 4 amends s 110.205, F.S., to establish senior management positions in the department that are exempt from career service.

Section 5 amends s. 120.80, F.S. It transfers from the Division of Pari-mutuel Wagering to the Gaming Control Department current exemptions from hearing and notice requirements in 120.569 and 120.57(1)(a). The exemptions apply to stewards, judges, and boards of judges conducting hearings related to imposition of fines or suspensions for specified violations.

The bill further provides that s. 120.60, F.S., which sets time limits for agency action after receipt of a license application, does not apply to applications for a destination casino resort license, and it exempts rules adopted by the Department of Gaming Control from s. 120.541(3), which provides that a proposed rule may not take effect until ratified by the Legislature if, within 5 years after implementation, it directly or indirectly imposes an aggregate of more than $1 million in regulatory costs or adverse impacts on economic growth, job creation or employment, private sector investment, business competitiveness, productivity, or innovation.

The bill further provides that the board may not grant any waiver or variance from the statutory requirements of part VI of Chapter 551, Florida Statutes, concerning destination casino resort licenses.

Section 6 amends s. 285.710, F.S., concerning the Gaming Compact with the Seminole Tribe of Florida. The Department of Gaming Control replaces the Division of Pari-mutuel Wagering (DBPR). The Governor is authorized to negotiate and execute an amendment to the compact regarding the right to operate covered games and to extend the authorization previously granted to the Tribe to offer banked card games through the date of July 23, 2030. Any amendment to the compact requires ratification by both houses of the Legislature by a majority vote of the members present.

Section 7 corrects a technical error in the citation to 25 U.S.C. s. 2710(8)(d) that is referenced in s. 285.710(4), respecting review and approval by the Secretary of Interior of an act ratifying a tribal-state compact with federally recognized Indian tribes pursuant to the federal Indian Gaming Regulatory Act of 1988.

Sections 8 transfers the Division of Pari-mutuel Wagering and the Pari-mutuel Wagering Trust Fund within the Department of Business and Professional Regulation to the Department of Gaming Control (type two transfer, as defined in s. 20.06(2), F.S.). It also repeals the provisions of ch. 550, F.S., which are reorganized and rewritten as Part II of ch. 551, F.S. (ss. 551.011-551.095, F.S.). For linkages detailing where particular sections and subsections of ch. 550, F.S., were moved, see pages 1-5 of "Florida Gaming Reorganization Charts."[20]

Section 9 addresses administrative issues concerning transfer of the Division of Pari-Mutuel Wagering to the Department of Gaming Control effective January 1, 2015, renaming the associated trust fund, and repealing statutes as necessary.

Section 10 redesignates ch. 551, F.S., as the "Florida Gaming Control Act."

Section 11 creates part I of ch. 551, F.S., consisting of ss. 551.001-551.018, F.S., which is entitled "Florida Gaming Control."

Section 12 creates s. 551.001, F.S., and provides definitions for the following terms: affiliate, chair, board (Gaming Control Board), conflict of interest, department, executive director, and financial interest.

Section 13 creates s. 551.011, F.S., and creates a 5-member Gaming Control Board appointed by the Governor. The bill details requirements for membership, experience and background investigations. At least one board member must be a licensed CPA with 5 years' experience with enterprise information management, and at least one board member must have 5 years' experience in law enforcement investigations. Membership is staggered, with 4-year terms and maximum service of 8 years not including service of a portion of a term due to a vacancy. Board members may lobby state of local agencies only in their official capacity. The chair is appointed by the Governor and serves for the balance of a term. The vice chair is elected annually by the board. The board meets at least monthly. The board may hold emergency meetings upon at least 72 hours' public notice, but any action taken must subsequently be ratified at a regular noticed meeting. The board is the agency head of the Department of Gaming Control. The bill sets parameters the board's selection of an executive director, an acting executive director, a chief financial and accounting officer, and an Inspector General.

Section 14 creates s. 551.012, F.S., and describes the powers and duties of the board, including:

- Administer and execute laws relating to gaming, pari-mutuel wagering, slot machines, cardrooms, occupational licensing, and destination casino resorts under ch. 551, F.S.;
- Use an invitation to negotiate process for destination casino resort applicants, based on minimum requirements established by part VI of ch. 551 and department rule;
- Issue subpoenas for attendance of witnesses and production of records;
- Apply for injunctive or declaratory relief;
- Establish field offices

[20] *See* http://cms.flsenate.gov/UserContent/Content/Committees/2012-2014/GM/Links/s7052_TracingCharts.pdf. (visited February 27, 2014). The "Florida Gaming Reorganization Charts" were prepared by professional staff of the Senate Committee on Gaming, with assistance from the Senate Bill Drafting Office.

The bill provides that the department, the Department of Law Enforcement, and local law enforcement agencies shall have unrestricted access to the licensee facilities at all times.

Section 15 creates s. 551.013, F.S., and describes the powers and duties of the department, including investigations, collection of fees, and adoption of rules and procedures for regulating, managing, and auditing the operation, financial data, and program information relating to gaming which allow the board and the Department of Law Enforcement to audit the operation, financial data, and program information of a licensee, with the ability to monitor, at any time on a real-time basis, wagering patterns, payouts, tax collection, and compliance with rules for the regulation and control of gaming. The bill provides that the board may at any time adopt emergency rules pursuant to s. 120.54, F.S.

Section 16 creates s. 551.014, F.S., and states the requirements for a code of ethics for board members, employees, and agents. Board members or the executive director may not hold a direct or indirect interest in, be employed by, or enter into a contract for services with an applicant or person licensed by the board or department for a period of 5 years after departing the board or department. An employee of the department may not acquire a direct or indirect interest in, be employed by, or enter into a contract for services with an applicant or person licensed by the board or department for a period of 2 years after departure. Board members and employees may not represent a person other than the state before or against the department for a period of 3 years after departure. Board members and employees may not be a candidate for political office or use official authority to try to affect the result of an election. Board members and employees may not participate in or wager on any game conducted by any licensee or affiliate in Florida or any other jurisdiction, except as required as part of surveillance, security, or other official duties. The executive director must approve outside employment for an employee.

Section 17 creates s. 551.015, F.S., and addresses required disclosures by members, employees, and agents. Board members must comply with Chapter 112, F.S., and file full and public disclosure of financial interests just like elected constitutional officers, and prior to appointment, must disclose involvement with any gaming interest in the preceding 3 years. The executive director and selected managerial employees must also comply with Chapter 112, F.S., and file a financial disclosure statement pursuant to s. 112.3145, F.S.

Prospective employees must provide a complete criminal history, including convictions and current charges for all felonies and misdemeanors; undergo testing that detects the presence of illegal substances in the body; provide fingerprints and a photograph consistent with standards adopted by state law enforcement agencies; and provide authorization for the department to conduct a credit and background check. The identification, employment and education of each prospective employee must be verified, regardless of graduation status; place of residence; and employment history.

A prospective employee may not be hired if he or she has been convicted of a felony; convicted of a misdemeanor within 10 years if the act bears a close relationship to the duties and responsibilities of the position sought, dismissed from prior employment for gross misconduct or incompetence, or intentionally made a false statement concerning a material fact in the application.

Written disclosure to the executive director and the Inspector General is required for a board member, employees and other select persons if they become aware of a board member, employee or agent of the department who:

- Personally or through a spouse, child, or parent is financially interested in, or employed by, or accepts a gift directly or indirectly from an applicant, licensee, or affiliate;
- Is indicted, charged with, convicted of, plead guilty or nolo contendere to, or forfeited bail for a felony or certain misdemeanors involving gambling, dishonesty, theft, or fraud, or any felony in any jurisdiction;
- Negotiates for an interest in a licensee, applicant, or is affiliate;
- Enters into negotiations for employment with any applicant, licensee, or affiliate;
- Engages in any conduct that constitutes a conflict of interest; or
- Is approached and offered a bribe.

Section 18 creates s. 551.016, F.S., and prohibits a licensee, applicant, affiliate, or representative of an applicant or licensee from engaging directly or indirectly in ex parte communication concerning a pending application, license, or enforcement action. The bill also provides procedures for handling and disclosing ex parte communications and sets penalties for non-compliance.

Section 19 creates s. 551.017, F.S., and provides penalties for misconduct by a member, employee, or agent, including removal by the Governor or other disciplinary action as determined by the board. An employee shall be terminated if a financial interest in a licensee, applicant, or affiliate or representative of a licensee or applicant is acquired by the employee or the employee's spouse, parent, or child.

Section 20 creates s. 551.018, F.S., and provides that the First District Court of Appeal shall review any action of the board.[21]

Section 21 creates part II of ch. 551, F.S., consisting of ss. 551.011-551.095, which is entitled "Pari-mutuel Wagering," and **Section 22** creates s. 551.011, F.S., and designates part II as the "Florida Pari-mutuel Wagering Act." The provisions of Ch. 550 are reorganized so applicable provisions for each industry follow more logically, and are rewritten as Part II of ch. 551, F.S. (ss. 551.011-551.095, F.S.). For linkages detailing where particular sections and subsections of ch. 550, F.S., were moved, see pages 1-5 of "Florida Gaming Reorganization Charts"[22] To trace the source statutes for content moved to ch. 551, see pages 7-16 of "Florida Gaming Reorganization Charts."

Section 23 creates s. 551.012, F.S., and provides definitions for the following terms: breaks, breeder and stallion awards, broadcast, contributor, current meet, department, event, exotic pools, fronton, full schedule of live events, guest track, handle, harness racing, horseracing permitholder, host track, intertrack wager, jai alai, live even, live handle, market area, meet, net pool pricing, operating day, pari-mutuel facility, pari-mutuel pool, pari-mutuel wagering, post

[21] *See* Sec. 4(b)(2), Art. V, Fla. Const.

[22] *See* http://cms.flsenate.gov/UserContent/Content/Committees/2012-2014/GM/Links/s7052_TracingCharts.pdf. (last visited February 27, 2014). The "Florida Gaming Reorganization Charts" were prepared by professional staff of the Senate Committee on Gaming, with assistance from the Senate Bill Drafting Office.

time, purse, quarter horse, racing greyhound, "same class of races, games, or permit," standardbred horse, takeout, thoroughbred, totalisator, and ultimate equitable owner.

Section 24 creates s. 551.013, F.S., and updates provisions moved from s. 550.155, F.S., Pari-mutuel wagering is authorized only within the enclosure of a licensed pari-mutuel facility; pari-mutuel pools are redistributed to contributors after takeout (including taxes and permitholder's share) and breaks are deducted; a person cannot for hire or gratuity purchase tickets for another.

Section 25 creates s. 551.014, F.S., and updates provisions moved from s. 550.0251, F.S., and s. 550.1648(3)(b), F.S. The bill transfers powers and duties of the Division of Pari-mutuel Wagering (DBPR) to the Department of Gaming, including powers to collect taxes and require compliance with financial reporting requirements, to regulate the industry, to oversee distribution from pari-mutuel pools, to conduct investigations, to impose fines, to supervise and regulate welfare of racing animals, and to regulate cardroom activities.

Section 26 creates s. 551.018, F.S., and updates provisions moved from s. 550.105(9), F.S., limiting local government taxes and fees on pari-mutuel wagering to $150 per day for horseracing or $50 per day for greyhound racing or jai alai.

Section 27 creates s. 551.021, F.S., and updates provisions moved from s. 550.054, F.S., regarding applications for permits to conduct pari-mutuel wagering. New horse and greyhound tracks must be more than 100 miles away from any existing pari-mutuel facility. New jai alai frontons must be more than 50 miles away from any existing pari-mutuel facility. Applications are exempt from the 90-day processing requirement in s. 120.60, F.S., but are deemed approved if not acted upon within 120 days. A majority vote in a countywide referendum is required before performances commence. The law specifies financial, background, and business information required in a permit application, and it requires a deposit for paying the expense of the referendum. The permitholder annually must apply for a license fixing the days, times, and places for performances. If a permitholder does not complete 50% or more of facilities construction within 12 months after the referendum, the department mayy revoke the permit. Permits are transferable only with department approval, however, a converted (summer) jai alai permit may lease or build anywhere in the county where the permit was approved. It may have implications for revenue sharing under the Seminole Gaming Compact if this provision were used to relocate a license to operate slot machines. Changes in ownership must be reported to the department, and significant changes (5% for individual, 10% for corporation) must be approved in advance.

Section 28 creates s. 551.0221, F.S., and updates provisions moved from s. 550.0651, F.S., regarding countywide referenda to approve/deny a permit. Such referenda must occur within 21 to 90 days after application to the board of county commissioners in a special election where no other matter is on the ballot.

Section 29 creates s. 551.0222, F.S., and updates provisions moved from s. 550.175, F.S., which provides a petition/election process for revoking a permit. The petition must be signed by 20% of the qualified voters in the county, and every signature must be signed in the presence of the clerk of the board of county commissioners.

Section 30 creates s. 551.0241 F.S., and updates provisions moved from s. 550.054(13)(a) and (b), F.S., relating to relocation of a thoroughbred racing permit. Relocation of a track within a county must be approved in a countywide referendum. Relocation to a new county must be approved by a majority of voters in the new county and a majority of voters in the former county.

Section 31 creates s. 551.0242, F.S., and updates provisions moved from s. 550.055, F.S., relating to relocation of a greyhound or jai alai permit. A countywide referendum is not required to relocate within a county and within a 30-mile radius of the old location, provided there are no land use issues, and further provided that the department determines that the move is necessary to preserve the revenue producing ability of the permitholder without harming the revenue producing ability of another permitholder within 50 miles.

Section 32 creates s. 551.0251, F.S., and updates provisions moved from s. 550.3345, F.S., which provided a window of opportunity (July 1, 2010 to June 30, 2011) to convert a quarter horse racing permit to a limited thoroughbred racing permit issued to a not-for-profit corporation formed to promote thoroughbred purses breeder awards, and the care of retired thoroughbred horses. Two conversions occurred (Gulfstream-GPTARP and Ocala Thoroughbred Racing) within the window of opportunity. For those two permits, s. 551.0251(2)(d), F.S., provides, notwithstanding any other provision of law:

> Racing under the permit may take place only at the location for which the original quarter horse racing permit was issued, which may be leased by the corporation for that purpose. However, the corporation may, without any ratification election…, move the location of the permit to another location in the same county….

It may have implications for revenue sharing under the Seminole Gaming Compact if this provision were used to relocate a license to operate slot machines.

Section 33 creates s. 551.0252, F.S., and updates provisions moved from s. 550.054(14)(a) and (b) and 550.01215(6), F.S., regarding conversion of a jai alai permit that has been inactive for 10 years to a greyhound permit. The current law also authorizes relocation of a greyhound permit within a county if it is the only pari-mutuel wagering permit issued in the county (e.g., Jacksonville Kennel Club) and its races are conducted at a leased facility (e.g., Orange Park). Finally, the law provides that a converted jai alai permit may be converted from a greyhound permit back to a jai alai permit if the permitholder conducted no greyhound racing in the previous year.

Section 34 creates s. 551.0253, F.S., and updates provisions moved from s. 550.0745, F.S., regarding conversion of the pari-mutuel permit with the smallest handle in the county for two consecutive years to a summer jai alai permit in the same county. Current law also provides that if such conversion is not exercised, a new summer jai alai permit is available in the same county, notwithstanding mileage and permit ratification requirements. Current law further provides that if the converted permit is a quarter horse racing permit, the permitholder may obtain another quarter horse racing permit. Finally, current law provides that the summer jai alai performances operated under the converted permit may operate a new or leased fronton within the county. It may have implications for revenue sharing under the Seminole Gaming Compact if this provision were used to relocate a license to operate slot machines.

Section 35 creates s. 551.026, F.S., and updates provisions moved from s. 550.505, F.S., regarding "nonwagering permits" for qualified horseraces, greyhound races, or jai alai performances. Daily license fees do not apply.

Section 36 creates s. 551.029, F.S., and updates provisions moved from s. 550.1815, F.S., relating to suspension or revocation of permits if a permitholder, owner, officer, or employee commits a felony or is convicted of bookmaking.

Section 37 creates s. 551.0321, F.S., and updates provisions moved from s. 550.0115 and 550.125(3), F.S., requiring each permitholder to post $50,000 bond as surety for paying fees and taxes, keeping required records and making required reports, and complying with racing requirements. The department, by rule, may assess lesser bonds where warranted by monthly tax liabilities less than $50,000.

Section 38 creates s. 551.0322, F.S., and updates provisions moved from s. 550.01215, F.S., regarding annual license to conduct performances on specified days. A permitholder must apply for a schedule of performances for the next fiscal year by February 28 and must indicate dates and periods that cardrooms and simulcast wagering after 7 p.m. will be offered. The license application may be amended until March 15, subject to no objection from an operating permitholder within 50 miles. If a permitholder fails to operate all performances on the dates and times specified, the department will hold a hearing and will suspend or fine the permitholder unless the failure was beyond the permitholder's control.

Section 39 creates s. 551.033, F.S., and updates provisions moved from s. 550.0951(5), F.S., relating to payment of daily license fees and taxes. By the 5th day of the each month, permitholders remit for the prior calendar month payment for daily license fees, admission taxes, tax on handle, and the breaks tax. Delinquent payment is subject to a penalty of up to $1,000 per day. Willful failure to pay is grounds for suspension or revocation.

Section 40 creates s. 551.034, F.S., and updates provisions moved from s. 550.125, F.S., regarding the uniform reporting system for financial data and statistics provided by permitholders.

Section 41 creates s. 551.035, F.S., and updates provisions moved from s. 550.135, F.S., regarding distribution of funds.

Section 42 creates s. 551.036, F.S., and updates provisions moved from s. 550.1645, F.S., regarding escheatment of unclaimed pari-mutuel tickets to the state.

Section 43 creates s. 551.037, F.S., and updates provisions moved from s. 550.475, F.S., regarding lease of pari-mutuel facilities to any other permitholder located within 35 miles who holds a same class valid permit. This provision, together with allowances for relocation, may be used to license standalone cardrooms (e.g., Jacksonville Kennel Club).

Section 44 creates s. 551.038, F.S., and updates provisions moved from s. 550.155, F.S., relating to proposed capital improvements. Current law provides that a municipality or county shall

approve a proposed capital improvement unless it presents a justifiable and immediate hazard to the health and safety of residents or qualifies as a development of regional impact

Section 45 creates s. 551.039, F.S., and updates provisions moved from s. 550.0351(6), F.S., relating to charity and scholarship days and authorizing greyhound tracks to host "mutt derbies" by charitable, civic, or nonprofit associations.

Section 46 creates s. 551.042, and updates provisions moved from ss. F.S., 550.002(11) and 550.09514(2), F.S. regarding minimum requirements for greyhound purses. The provision in paragraph 551.042(1)(b), F.S., relating to "a permitholder restricted by statute to certain operating periods within the year" no longer applies, and that paragraph could be stricken. The greyhound purse calculations in subsection (2) are based on live handle in fiscal year 1993-1994. Subsection (10) is new provision that provides for injury reporting at greyhound tracks or kennels. Certain information about the injury is required to be filed with the department, and the department may assess fines if a person knowingly makes a false statement on an injury report.

Section 47 creates s. 551.043, F.S., and updates provisions moved from ss. 550.0951 and 550.1647, F.S., relating to greyhound racing fees, taxes, and credits. Most greyhound racing fees and taxes are refunded as credits. Under current law, the tax rate on intertrack wagering (ITW) handle varies among different classes and different areas of the state. Current law provides an annual exemption from the first $360,000 ($500,000 for the three tracks closest to another state) in taxes on live handle and intertrack wagering (ITW) handle. If the $300,000/$500,000 exemption is greater than the permitholder's tax liability, the permitholder, with written notice to the department, may transfer the exemption to another greyhound permitholder that is an ITW host track.

Section 48 creates s. 551.045, F.S., and updates provisions moved from s. 550.1648, F.S., relating to each greyhound track providing booth space for greyhound adoption on weekends when live racing is conducted.

Section 49 creates s. 551.0511, F.S., and updates provisions moved from s. 550.2625(2) and (6), F.S., relating to horseracing purse requirements and breeder and owner awards.

Section 50 creates s. 551.0512, F.S., and updates provisions moved from s. 550.26165, F.S., relating to breeder awards.

Section 51 creates s. 551.0521, F.S., and updates provisions moved from s. 550.002(11) and 550.5251, F.S., relating to thoroughbred racing operations. Current law provides that a full schedule for a thoroughbred track is 40 live regular wagering events. The provision for prorating the number of live performances for a permitholder restricted by statute to a limited portion of the year no longer applies and could be stricken. Current law provides that a thoroughbred race may not begin later than 7 PM. For one race per day Florida-bred horses registered with the Florida Thoroughbred Breeders' and Owners' Association get preference for entry in the field.

Section 52 creates s. 551.0522, F.S., and updates provisions moved from s. 550.2614, F.S., relating to distribution of funds to a horsemen's association representing the majority of the thoroughbred racehorse owners and trainers.

Section 53 creates s. 551.0523, F.S., and updates provisions moved from s. 550.2625, F.S., relating to thoroughbred racing. Current law sets minimum requirements for thoroughbred purses and breeders' awards.

Section 54 creates s. 551.0524, F.S., and updates provisions moved from s. 550.26352, F.S., relating to the Breeders' Cup Meet. Current law provides special tax and fee consideration for a track selected to operate the Breeders' Cup Meet.

Section 55 creates s. 551.053, F.S., and updates provisions moved from ss. 550.0951 and 550.09515, F.S., relating to thoroughbred racing taxes and fees.

Section 56 creates s. 551.0541, F.S., and updates provisions moved from s. 550.002 and 550.375, F.S., relating to operation of harness race tracks. Isle Casino and Racing at Pompano Park is the only harness permitholder conducting performances in Florida. Current law provides that a full schedule is at least 100 live regular wagering performances. The provision in paragraph (2)(b) for prorating the number of live performances for a permitholder restricted by statute to a limited portion of the year no longer applies and could be stricken. The transfer authorized in paragraph (3) has occurred and could be stricken.

Section 57 creates s. 551.0542, F.S., and updates provisions moved from s. 550.2625, F.S., relating to harness races. Current law sets minimum requirements for thoroughbred purses and breeders' awards.

Section 58 creates s. 551.0543, F.S., and updates provisions moved from ss. 550.0951, 550.0952, and 550.2633, F.S., relating to harness racing fees, taxes, and tax exemptions.

Section 59 creates s. 551.0551, F.S., and updates provisions moved from ss. 550.002 and 550.334, F.S., relating to quarter horse racing operations. Current law provides that a full schedule is at least 40 live regular wagering performances, but for a quarter horse racing permitholder leasing another licensed racetrack, a full schedule is at least 160 live regular wagering events at the leased facility. The provision in paragraph (1)(c) for prorating the number of live performances for a permitholder restricted by statute to a limited portion of the year no longer applies and could be stricken. The provision in paragraph (6) that "quarter horse racing days…are in addition to other racing" permitted at the same track no longer applies and could be stricken.

Section 60 creates s. 551.0552, F.S., and updates provisions moved from s. 550.2625, F.S., relating to quarter horse races. Current law sets minimum requirements for thoroughbred purses and breeders' awards.

Section 61 creates s. 551.0553, F.S., and updates provisions moved from s. 550.0951, F.S., relating to quarter horse racing fees, taxes, and tax exemptions.

Section 62 creates s. 551.056, F.S., and updates provisions moved from s. 550.2625, F.S., relating to Appaloosa horse races, Arabian horse races, purse requirements, and breeder and owner awards.

Section 63 creates s. 551.062, F.S., and updates provisions moved from ss. 550.002 and 550.70, F.S., relating to jai alai. Current law provides that a full schedule is at least 100 live evening or matinee performances (150 live evening or matinee performances for a jai alai permitholder that operates slot machines at its location; 40 live evening or matinee performances for a permitholder who meets special requirements). The required number of live performances is prorated for summer jai alai permitholders.

Section 64 creates s. 551.0622, F.S., and updates provisions moved from s. 550.2704, F.S., relating to Jai Alai Tournament of Champions Meet. Current law provides tax credits for permitholders selected to operate the Jai Alai Tournament of Champions Meet (see section 65 of the bill, which creates s. 551.063(7)(c)&(d), F.S.).

Section 65 creates s. 551.063, F.S., and updates provisions moved from ss. 550.0951(3), 550.09511, 550.1646, and 550.2704, F.S., relating to jai alai; fees, taxes, tax credits, and tax exemptions. Many of the provisions for calculating tax on live handle in paragraphs (a) through (g) of subsection (4) are trumped by paragraph (h): "Notwithstanding any other provision of this chapter,…a jai alai permitholder may not be taxed on live handle at a rate higher than 2 percent."

Section 66 creates s. 551.072, F.S., and updates provisions moved from s. 550.3551, F.S., relating to transmission of racing and jai alai information and commingling of pari-mutuel pools. Paragraph (16) provides, "Section 565.02(5) applies to any guest track." Under current law, this provision authorizes a caterer at track or fronton ($675 annual license fee) to sell liquor 10 days before, during, and 10 days after the meet."

Section 67 creates s. 551.073, F.S., and updates provisions moved from s. 550.615, F.S., relating to intertrack wagering. Language in paragraph (1), regarding a horseracing permitholder conducting a full schedule of live racing does not match language in paragraph (2), regarding a greyhound or jai alai permitholder conducting a full schedule of live racing "in the preceding year"

Section 68 creates s. 551.074, F.S., and updates provisions moved from s. 550.625, F.S., relating to purses and breeder awards when the host track for intertrack wagering is a horse track.

Section 69 creates s. 551.075, F.S., and updates provisions moved from s. 550.6305, F.S., relating to guest track payments and accounting rules for intertrack wagering.

Section 70 creates s. 551.076, F.S., and updates provisions moved from s. 550.6335 and 550.6345, F.S., relating to surcharges collected by guest tracks on winning tickets and supplemental payments by a harness racing host track.

Section 71 creates s. 551.077, F.S., and updates provisions moved from s. 550.6308, F.S., relating to a limited intertrack wagering license (e.g., Ocala Breeders' Sales).

Section 72 creates s. 551.078, F.S., and updates provisions moved from s. 550.495, F.S., relating to totalisator licensing. Under current law, each totalisator company operating in the state must

apply for an annual business license and post a $250,000 bond as surety against a loss of state tax revenues.

Section 73 creates s. 551.082, F.S., and updates provisions moved from s. 550.0425, F.S., restrictions on relating to minors attending pari-mutuel performances A minor accompanied by a parent or guardian may attend a pari-mutuel performance but may not wager, and a minor who is the child of and supervised by a licensed greyhound trainer or operator may access kennel compound areas without being licensed.

Section 74 creates s. 551.091, F.S., and updates provisions moved from s. 550.054, F.S., relating to penalty for violation. Under current law, the department may revoke or suspend any permit or license upon the willful violation by a permitholder or licensee of any law or rule pursuant to ch. 551, F.S.

Section 75 creates s. 551.0921, F.S., and updates provisions moved from s. 550.24055, F.S., relating to use of testing and penalties for use of controlled substances or alcohol by occupational licensees.

Section 76 creates s. 551.0922, F.S., and updates provisions moved from s. 550.1155, F.S., relating to the authority of a steward, judge, panel of judges, or player's manager to impose penalties against occupational licensees.

Section 77 creates s. 551.0193 F.S., and updates provisions moved from s. 550.2415, F.S., relating to prohibitions against racing animals under certain conditions. Under current law, the department enforces regulations against administering certain drugs or medications to racing animals. The law specifies testing, penalties, and exceptions.

Section 78 creates s. 551.0941, F.S., and updates provisions moved from s. 550.255, F.S., relating to second degree misdemeanor for conducting unauthorized race.

Section 79 creates s. 551.0942, F.S., and updates provisions moved from s. 550.235, F.S., relating to third degree felony for conspiring to prearrange result of an event.

Section 80 creates s. 551.0943, F.S., and updates provisions moved from s. 550.285, F.S., relating to second degree misdemeanor for obtaining goods or services with intent to defraud.

Section 81 creates s. 551.0944, F.S., and updates provisions moved from s. 550.3615, F.S., relating to third degree felony for bookmaking on the grounds of a permitholder.

Section 82 creates s. 551.095, F.S., and updates provisions moved from s. 550.0235, F.S., relating to limitation of civil liability for a permitholder conducting a race meet pursuant to this chapter, department employee, steward, or judge.

Sections 83 creates part III of ch. 551, titled "Slot Machines. The numbering of the subsections (551.101-551.123) is unchanged, but the provisions in former s. 551.1045, F.S., regarding issuance of temporary occupational licenses have been moved to new s. 551.302(10), F.S., in

part V. Similarly, Section 551.107, F.S., regarding occupational licenses is renumbered as s. 551.302, F.S., in part V.

Section 84 amends s. 551.101, F.S., (Slot machine gaming authorized) and updates and modernizes current provisions. Current law authorizes slot machine gaming at licensed pari-mutuel locations in:

- Miami-Dade or Broward Counties and conducted live racing or games during calendar years 2002 and 2003;
- Miami-Dade County and conducted live racing for 2 consecutive calendar years prior to its application for a slot machine gaming license; and
- A county in which a majority of votes approved slot machines at such facilities in a countywide referendum held in that county, pursuant to specific statutory or constitutional authorization granted after July 1, 2010 [sic; the SPB is in error and the correct date is July 1, 2010], and conducted a full schedule of live racing for 2 consecutive calendar years immediately preceding its application for a slot machine gaming license.

Section 85 amends s. 551.102, F.S., (Definitions) to update and modernize current provisions.

Section 86 amends s. 551.103, F.S., (Powers and duties of the department division and law enforcement) to update and modernize current provisions.

Section 87 amends s. 551.104, F.S., (License to conduct slot machine gaming) to update and modernize current provisions. Current law provides that an application for a license to conduct slot machine gaming by a licensed pari-mutuel permitholder may only be issued after the voters of the county where the pari-mutuel facility is located have authorized slot machines within pari-mutuel facilities in that county.

Current law requires slot machine gaming licensees to disclose ownership information, ensure that the computer system used for operational and accounting functions is structured to facilitate regulatory oversight, so that the department and the Department of Law Enforcement have the ability to monitor, at any time on a real-time basis, wagering patterns, payouts, tax collection, and compliance with rules for the regulation and control of slot machine gaming.

Section 88 amends s. 551.1045, F.S., (Temporary licenses) updates and modernizes current provisions and has been moved to new s. 551.302(10)(a) in part V in Section 108 of the bill.

Section 89 amends s. 551.105, F.S., (Slot machine license renewal) to update and modernize current provisions.

Section 90 amends s. 551.106, F.S., (License fee; tax rate; penalties) to update and modernize current provisions, and to delete obsolete provisions regarding annual slot machine license fees.

Section 91 amends s. 551.108, F.S., (Prohibited relationships) to update and modernize current provisions.

Section 92 amends s. 551.109, F.S., (Prohibited acts; penalties) to update and modernize current provisions.

Section 93 amends s. 551.111, F.S., (Legal devices) to update and modernize current provisions.

Section 94 amends s. 551.112, F.S., (Exclusions of certain persons) to update and modernize current provisions.

Section 95 amends s. 551.113, F.S., (Persons prohibited from playing slot machines) to update and modernize current provisions.

Section 96 amends s. 551.114, F.S., (Slot machine gaming areas) to update and modernize current provisions.

Section 97 amends s. 551.116, F.S., (Days and hours of operation) to update and modernize current provisions.

Section 98 amends s. 551.117, F.S., (Penalties) to update and modernize current provisions.

Section 99 amends s. 551.118, F.S., (Compulsive or addictive gambling prevention program) to update and modernize current provisions.

Section 100 amends s. 551.119, F.S., (Caterer's license) to update and modernize current provisions.

Section 101 amends s. 551.121, F.S., (Prohibited activities and devices; exceptions) to update and modernize current provisions.

Section 102 amends s. 551.122, F.S., (Rulemaking) to update and modernize current provisions.

Section 103 amends s. 551.123, F.S., (Legislative authority) to update and modernize current provisions.

Section 104 creates s. 551, part IV, F.S., titled "Cardrooms." The entirety of s. 849.086, F.S., is transferred and amended in Part IV.

Section 105 creates s. 551.20, F.S., (Cardrooms authorized), which amends s. 849.086, F.S., to update and modernize current language.

Sections 106 through 122 of the bill constitute part V of ch. 551 titled "Occupational Licensing," which compiles licensing provisions previously located in ch. 550 (pari-mutuel wagering), ch. 551, F.S., (slots), and s. 849.086, F.S. (cardrooms).

Section 107 of the bill consists of s. 551.301 (transferred and renumbered from s. 550.105, F.S.,), stating that each person connected with a racetrack or jai alai fronton must be licensed. This includes vendors, concessionaires, kennels, owners and managers, stables, trainers, officials, veterinarians, doctors, nurses, emergency medical technicians, jockeys, drivers, jai alai

players, grooms, security and maintenance personnel. Also included are all persons who might have access to the jockeys' room, players' quarters, the drivers' room, the backside, racing animals, or kennel compound, as well as all employees and managers required to access mutuels machines, the money room, or totalisator equipment (i.e. the "tote board" that displays data from the automated pari-mutuel betting system that calculates odds and produces tickets based on incoming bets). Attorneys and certified public accountants whose primary place of employment is on the permitholder's premises is also required to hold a pari-mutuel occupational license.

Pursuant to s. 551.301(5)(a), the department may deny, suspend, revoke, or declare ineligible any pari-mutuel occupational license if the licensee has violated the law or applicable administrative rules, been convicted of a capital felony, a felony, a felony involving arson, a crime of trafficking, smuggling, delivery, sale or distribution of a controlled substance, or of a crime involving a lack of moral character. Such action may also be taken if the applicant or licensee has had a pari-mutuel license revoked by this state or any other jurisdiction for an offense related to pari-mutuel wagering, or has been convicted of a felony or misdemeanor for gambling, bookmaking, or animal cruelty.

The above restrictions excluding offenders may be waived upon a showing of good moral character, rehabilitation, and that the conviction is not related to pari-mutuel wagering and is not a capital offense. The department may not take action on or fail to renew a pari-mutuel license on the basis of a conviction occurring before July 1, 2010.

In accordance with s. 551.301(7), pari-mutuel licenses may also be denied, revoked, or suspended for debts, bad checks and other obligations "directly related to the sport of jai alai or racing being conducted in a pari-mutuel facility" in Florida. A licensee who knowingly provides false information under oath in a departmental investigation may be fined or have his pari-mutuel license suspended, revoked, or restricted. Disciplinary actions against persons whose licenses have expired are addressed in s. 551.301(5)(e).

Section 551.301(9) (formerly s. 550.105(10), F.S.,) details the information required to become licensed, including any felony or any conviction for bookmaking, illegal gambling, or cruelty to animals, and enforcement actions by any racing or gaming agency. Fingerprints must be submitted to the Department of Law Enforcement, the Federal Bureau of Investigation or an association of state pari-mutuel regulators. Fingerprinting expenses are borne by the applicant or licensee. A national criminal history records check is to be performed at least once every 5 years after issuance of a license, at the expense of the person being checked.

Rules may be adopted to require reasonably necessary information to regulate the industry or to exempt certain occupations or groups of persons from fingerprinting requirements (e.g. food service staff).

Section 108 of the bill consists of s. 551.302, F.S., (formerly s. 551.107, F.S.,), concerning slot machine occupational licensing. General licenses are required for specified employees, including food service, maintenance and other similar support employees with access to the slot machine gaming area. Professional occupational licenses are issued to those authorized to manage, supervise or control daily operations, or others who are not employees of the licensee but who

provide services to a slot machine or slot machine equipment. Fees for general or professional occupational licenses may not exceed $50.

Business occupational licenses are required for slot machine management or other companies associated with slot machine gaming, to persons who manufacture, distribute or sell slot machines, slot machine paraphernalia, or other associated equipment, or those who sell or provide goods or services for slot machine gaming to licensees. Fees for a business occupational license may not exceed $1,000. Combined licenses may be issued for slot, pari-mutuel and cardroom licenses.

Fingerprints of slot machine licensees must be submitted to the Department of Law Enforcement and the Federal Bureau of Investigation. Fingerprinting expenses are borne by the applicant or licensee. A national criminal history records check is to be performed at least once every 3 years after issuance of a license, at the expense of the person being checked (such histories are checked more frequently than for pari-mutuel licensees).

Section 109 of the bill consists of s. 551.303, F.S., (formerly s. 849.086(6), F.S.,), which addresses occupational licensing of cardroom businesses and employees. Persons employed or working in a cardroom in a position related to cardroom operations while conducting card playing or games of dominoes must be licensed. The license fee may not exceed $50 for any 12-month period. Cardroom licenses are not required for certain other employees such as food service, maintenance, and security employees, who have passed the background check and have a current pari-mutuel occupational license. Cardroom management companies and distributors associated with cardroom operations must be licensed, and the license fee may not exceed $250 for any 12-month period.

Pursuant to s. 551.3031(7), the department may deny, revoke, or declare ineligible any cardroom occupational license if the licensee has been found guilty or had adjudication withheld for a felony or misdemeanor involving forgery, larceny, extortion, conspiracy to defraud, or filing a false report with a racing or gaming commission or a government agency.

Fingerprints of cardroom licensees must be submitted to the Department of Law Enforcement and the Federal Bureau of Investigation. Fingerprinting expenses are borne by the applicant or licensee. A national criminal history records check is to be performed at least once every 3 years after issuance of a license, at the expense of the person being checked (same schedule as for slot machines licensees, but more often than for pari-mutuel licensees).

Sections 110 through 122 concern the Interstate Compact on Licensure of Participants in Pari-mutuel Wagering. Sections 550.901 to 550.913, F.S., are renumbered to ss. 551.31 to 551.322, F.S. The purposes of the compact include establishing uniform requirements for licensing, with a minimum standard of honesty and integrity for licensees.

Sections 123 through 146 constitute part VI of ch. 551, F.S., titled “Destination Casino Resorts,” which addresses the invitation to negotiate procedure for solicitation of proposals for destination casino resorts, consideration of applications from prospective licensees, the required disclosures from affiliated parties, and the award of licenses to qualified applicants.

Section 125 defines destination casino resort in s. 551.401(4), F.S., as a freestanding, land-based structure that includes a gaming facility located in a zoning district that allows mixed-use development, including but not limited to, restaurants, commercial and retail facilities, convention facilities, and buildings designed for permanent, seasonal, or transient housing such as hotels and condominiums.

Gaming is defined in s. 551.401(6), F.S., as the conducting of the following games by licensed persons in a gaming facility in a destination casino resort: baccarat, 21, poker, craps, slot machines, video games of chance, roulette wheels, faro layout, or their common variants. That section also states that any game of chance, wagering device, or form of gaming must be expressly authorized by the Legislature.

Gaming facility is defined in s. 551.405(8), F.S., as the gaming floor in which gaming may be conducted and all ancillary areas. In turn, gaming floor is defined in s. 551.405(9), F.S., as all areas other than ancillary areas (defined in s. 551.401(1), F.S.) such as lobbies, restaurants, retail spaces, performance venues, accesses, restrooms, back-of-house facilities. The term gaming pit is defined in s. 551.401(10), F.S., as the area from which gaming employees administer and supervise the games.

Section 551.401(2), F.S., states that a public body is prohibited from applying for a destination casino resort license. That term has been defined for purposes of statutory construction in s. 1.01(8), F.S., and includes counties, cities, towns, villages, special tax school districts, special road and bridge districts, bridge districts, and all other districts in this state.

Section 551.401(11). F.S., defines gross gaming revenue as "total receipts of cash or cash equivalents received or retained from the conduct of gaming by a destination casino resort licensee and the compensation received for conducting any gaming in which the destination casino resort licensee is not party to a wager." Promotional credits or free play provided by a destination casino resort licensee as a means of marketing its gaming facility are not included.

Section 126 creates s. 551.403, F.S., which states that all matters relating to gaming are preempted to the state for administration by the Gaming Control Board (board), and that a county, municipality, or other political subdivision may not enact ordinances relating to the conducting of gaming. However, a political subdivision may require a person to obtain an occupational license.

Section 127 creates s. 551.405, F.S.,which states that the board may issue an invitation to negotiate, receive and evaluate applications, and select the best qualified proposal for constructing and operating one destination casino resort license in Miami-Dade County and one destination casino resort license in Broward County. The board may only award a license if a majority of the electors voting in a countywide referendum have passed a referendum allowing for gaming in that county.

Section 128 creates s. 551.407 concerning the process for awarding destination casino resort licenses, and provides that the board is to use an invitation to negotiate process for determining the award of a destination casino resort license.

Section 551.407(3) requires that the board specify in its invitation to negotiate the county in which a destination casino resort will be located. When determining whether to authorize a destination casino resort in a county, the board is required to hold a public hearing in that county to discuss the proposals being considered and to receive public comment. As provided in s. 551.407(4), the board may negotiate with applicants on proposals that best meet certain selection criteria (addressed in Section 129 below). Section 551.407(6) authorizes the board to issue additional invitations to negotiate if it does not award a destination casino resort license at the conclusion of the award process.

Section 129 states the selection criteria in s. 551.409(1) be considered by the board, in particular, the capacity to increase tourism, generate jobs, provide revenue to the local economy, and generate revenue.

A gaming floor for a destination casino resort may be no more than 10 percent of the destination casino resort's proposed square footage. In turn, square footage is stated as the aggregate of the square footage of certain improvements owned or controlled by the applicant or its affiliates, exclusive of parking areas and accesses, but inclusive of the gaming facility and other areas of the mixed-use development, such as restaurants, commercial and retail facilities, convention facilities, and residential buildings located within a quarter mile of the main entry door of the destination casino resort.

Along with the ability of an applicant to generate substantial gross gaming revenue, the board will evaluate an applicant's demonstrated community investment and development, job training program, local community involvement, financial investment and strength, and other criteria.

Applicants for destination casino resort licenses must also demonstrate a commitment to spend at least $2 billion for development and construction, including improvements to property, furnishings, and other equipment as determined by the board, but not the purchase price or acquisition costs for real property, or development impact fees. Documentation of such expenditure, in the aggregate, must be completed within 5 years of the award of a license.

Section 551.409(2)(a) requires the board to evaluate applications using the following weighted criteria, as described in the bill:

- Design and location: 20 percent
- Management expertise and speed to market: 40 percent
- Generating tourism from out of state: 30 percent
- Community enhancement plan: 10 percent

Section 551.409(2)(b) requires the board to give preference to applicants that demonstrate that the proposed destination casino resort will not unduly impact public services, existing transportation infrastructure, consumption of natural resources, and the quality of life enjoyed by residents of the surrounding neighborhoods. The ability to begin work as quickly as possible after award of the license, but within 12 months, must be shown.

In terms of impact on the local community, the applicant must include amenities and uses that will allow other businesses to be included within the destination casino resort, and promote local businesses. Workforce development and training plans must be provided for evaluation.

Measures to address problem gambling, such as employee training to recognize problem gamblers and prevention programs targeted toward vulnerable populations, must be included.

The destination casino resort applicants must also provide a market analysis detailing the benefits of the site proposed and the estimated recapture rate of gaming-related spending by residents traveling to out-of-state gaming establishments.

There must also be a marketing program for the use of minority business enterprises, women business enterprises, and veteran business enterprises to participate as contractors in the design and construction of the development, and to participate as vendors.

Public support in the local community must be shown, as demonstrated through public comment received by the board or applicant.

Section 130 creates s. 551.41, which delineates the contents of an application for a destination casino resort license. In addition to typical identification, experience, licensure, credit and criminal history, and other business information, subsection (1)(c) includes a requirement for documentation, as required by the board, that the applicant has received conceptual approval of the destination casino resort proposal from the municipality and county in which the destination casino resort will be located.

Section 551.41(1)(i) requires a list of the full names and titles of any public officials or officers of any unit of state government or of the local government or governments in the county or municipality in which the proposed destination casino resort is to be located, and the spouses, parents, and children of those public officials or officers, who, directly or indirectly, own any financial interest in, have any beneficial interest in, are the creditors of, hold any debt instrument issued by the applicant or a qualifier, or hold or have an interest in any contractual or service relationship with the applicant or qualifier. The terms "public official" and "officer" do not include a person who would be listed solely because the person is a member of the Florida National Guard.

Section 551.41(1)(j) requires the name and business telephone number of, and a disclosure of fees paid to any attorney, lobbyist, employee, consultant, or other person who has represented the applicant's interests in the state in the prior 3 years or during the application process.

Section 551.41(1)(l) requires a description of the applicant's proposed destination casino resort, including a map documenting the location of the proposed destination casino resort within the specific county or counties; a statement regarding the compliance of the applicant with state, regional, and local planning and zoning requirements; a description of the anticipated economic benefit to the community in which the destination casino resort would be located; the anticipated number of jobs generated by construction of the destination casino resort; the anticipated number of employees; a statement regarding how the applicant would comply with federal and state affirmative action guidelines; and a projection of gross gaming revenue.

Proof that a countywide referendum has been approved before the application deadline by the electors of the county authorizing gaming in that county is set forth as a requirement in Section 551.41(1)(m). (Gaming is defined as "the conducting of the following games by licensed persons

in a gaming facility in a destination casino resort: baccarat, 21, poker, craps, slot machines, video games of chance, roulette wheels, faro layout, or their common variants.")

Section 551.41(1)(n) requires a schedule or timeframe for completing the destination casino resort. Section 55.41(1)(o) requires a plan for training residents for jobs at the destination casino resort, including training to enable low-income persons to qualify for jobs at the destination casino resort.

Section 551.41(1)(p) requires substantial disclosure concerning identification of those involved in the destination casino resort, for each person, association, trust, corporation, or partnership having a direct or indirect equity interest in the applicant of more than 5 percent.

A destination casino resort development plan and projected investment of $2 billion meeting the selection criteria set forth in s. 551.409 is required by s. 551.41(1)(q). A diversity plan, information on current gaming licenses, and a listing of all affiliated business entities or holding companies, including nongaming interests, are required.

Section 551.41(2) provides that the board is the sole authority for determining the information or documentation that must be included in an application (or renewal application) for a destination casino resort license. Additional documentation and information may relate to: demographics, education, work history, personal background, criminal history, credit history, finances, business information, complaints, inspections, investigations, discipline, bonding, photographs, performance periods, reciprocity, local government approvals, supporting documentation, periodic reporting requirements, and fingerprint requirements.

Section 551.41(4) states the following application fees for a destination casino resort (annual licensing fees are addressed in Section 135):

- a nonrefundable investigative fee of $1 million to defray costs of evaluation and investigation of the applicant and each qualifier, with the possibility of an additional investigative fee not to exceed $250,000; and
- an initial license fee of $125 million; to be refunded if the application is denied.

Section 131 creates s. 551.411 concerning the handling of incomplete applications for a destination casino resort license.

Section 132 creates s. 551.413, which exempts from the licensing process lenders that make a loan or hold a security interest in an applicant, licensee, licensed supplier or a parent or subsidiary of those entities, but that do so only as part of their ordinary course of business as a financial institution. Such lenders are not qualifiers with an interest in the applicant or licenses. A qualifier is defined in s. 551.401(18), as set forth in Section 125 of the bill.

Section 133 creates s. 551.414 which states the conditions for licensure and maintenance of a destination casino resort license. The conditions are that a licensee:

- Comply with the Destination Casino Resort Act and departmental rules:
- Allow unrestricted access and inspection of the licensee's facilities;

- Complete the destination casino resort in accordance with the plans and in the timeframe proposed in the application, unless extended for good cause by the board for a period not to exceed 1 year;
- Ensure its computer system used for operations and accounting is structured to facilitate regulatory oversight and designed to provide wagering patterns and other information needed to determine compliance with laws and rules;
- Ensure that each gaming device is protected from manipulation or tampering;
- Submit a security plan with minimum security requirements determined by the department;
- File written policies with the board for a variety of issues and activities including purchases from vendors and services from resident and vendors in this state, employment of state residents, compulsive gambling training, and drug-testing programs;
- Use state-offered, Internet-based job-listing systems to advertise employment opportunities;
- Ensure that the payout percent of each slot machine is at least 85 percent;
- Maintain permanent daily records of gaming operations for a period not less than 5 years, for audit and inspection by the department, or other law enforcement agencies; and
- Maintain a designated gaming floor that is segregated from the rest of the facility so patrons may access the destination casino resort facility without entering the gaming floor.

Section 134 creates s. 551.415, which states the requirements for a surety bond or deposit to secure the obligation of a destination casino resort licensee to make all required payments.

Section 135 creates s**.** 551.416 which establishes a nonrefundable $5 million annual license fee for a destination casino resort licensee. In addition, each licensee pays tax at a rate of 35 percent of gross gaming revenue, to be remitted monthly. The gaming tax is in lieu of any other state taxes on gross or adjusted gross gaming revenue of a licensee.

Section 136 establishes in s. 551.417 certain restrictions on the conduct of gaming by a destination casino resort licensee, with unlimited access to the gaming facility at all times and prohibits the conduct of business with a junket enterprise, except with a junket operator employed full time by the licensee. A junket enterprise is defined in s. 551.401(13) in Section 125 of the bill, and means any person who for compensation, engages in procurement or referral of persons for a junket (excursion) to a destination casino resort.

Gaming operations are allowed 24 hours per day, every day of the year. A licensee is required to give preference in employment, reemployment, promotion, and retention to veterans and others who possess the minimum qualifications necessary to perform the duties of the positions involved.

Section 137 creates s. 551.418 which specifies those acts that are prohibited, as follows:

- A person may not willfully fail to report, pay, or truthfully account for and remit any fee, tax, or assessment or attempt in any manner to evade any fee, tax, or assessment;

- A person may not allow a slot machine, table game, or table game device to be operated, transported, repaired, or opened on the premises of a licensed gaming facility by anyone not licensed by the board;
- A person may not manufacture, supply, or place slot machines, table games, table game devices, or associated equipment into play or display slot machines, table games, table game devices, or associated equipment on the premises of a gaming facility without the required license;

There are provisions concerning the method of playing slot machines, possession of cheating devices, use of counterfeited materials, and fraudulent actions. Violators commit a first degree misdemeanor, punishable by imprisonment for a term not exceeding 1 year and a fine not to exceed $1,000. Anyone convicted of a second or subsequent violation commits a third degree felony, punishable by imprisonment for a term not exceeding 5 years and a fine not to exceed $5,000.

Section 138 creates s. 551.42, regarding supplier licenses required for a person to furnish any gaming equipment, devices, or supplies or other goods or services for the operation of gaming.

Section 139 creates s. 551.422, regarding licenses for the manufacturing of slot machines, table game devices, and associated equipment for use in Florida.

Section 140 creates s. 551.424 regarding occupational licenses for gaming employees, for which heightened state scrutiny is required. A person may not be employed as a gaming employee unless that person holds an appropriate occupational license. The issuance of temporary supplier and temporary occupational licenses is addressed in **Section 141** in s. 551.426.

Section 142 creates s. 551.428 concerning disputes between destination casino resort licensees and wagerers and the procedures required to address them. Gaming-related disputes may be resolved only by the board and are not under the jurisdiction of state courts, however, wagerers have the opportunity to make a claim in state court for nongaming-related issues. A wagerer is defined in s. 551.401(21) in Section 125 of the bill as a person who plays a game at an authorized gaming facility.

Section 143 creates s. 551.43 regarding enforcement of credit instruments between patrons and licensees, and the board may prescribe conditions for redemption or presentation of a credit instrument to a bank, credit union, or other financial institution for collection or payment.

Section 144 creates s. 551.44 regarding compulsive or addictive gambling prevention. Training must be offered to destination casino resort employees on responsible gaming, and a licensee must work with a gambling prevention program to recognize problem gaming situations and to implement responsible gaming programs and practices. The board must use an invitation to negotiate process for services for the treatment of compulsive and addictive gambling. Each licensee must pay $250,000 annually without proration to the board by June 30 for these services.

Section 145 creates s. 551.445, regarding requests to be excluded from a gaming facility. A person may request to be excluded from gaming facilities in this state by personally submitting a

request for self-exclusion from all gaming facilities on a form adopted by board rule. Requirements for the request include contact information, identification issued by certain governmental agencies containing a photograph and a signature, a current photograph, and a physical description. The requester must select the duration of the self-exclusion (one year, five years, or lifetime), and must execute a release confirming that the request is voluntary and acknowledging that the requester has a compulsive or addictive gambling problem. If a person on the exclusion list is discovered on the gaming floor of a gaming facility, the person may be removed and may be arrested and prosecuted for criminal trespass.

The self-exclusion provision in part VI of this bill does not apply to slot machine gaming at pari-mutuel facilities.

Section 146 creates s 551.45 which requires the board to file an annual report with the Governor, the President of the Senate, and the Speaker of the House of Representatives covering the previous fiscal year, beginning February 1, 2016. Each report must include a statement of receipts and disbursements, a summary of disciplinary actions taken by the board, and any additional information and recommendations that the board believes may improve the regulation of gaming or increase the economic benefits of gaming to this state.

Sections 147 creates part VII of Ch. 551 titled "Miscellaneous Gaming." Title XLVI of the Florida Statutes is titled "Crimes" and includes Chapter 849, which is titled "Gambling." Over a period of time, amendments to ch. 849 have addressed requirements for authorized, noncriminal activities such as amusement arcades, bowling tournaments, charitable bingo, cardrooms, game promotions, and penny-ante games (poker, dominoes, etc.). Those provisions are transferred as described below; after the transfer to part VII of ch. 551 proposed in the bill, the remaining provisions in ch. 849 describe prohibited criminal gambling activity.

Section 148 states that the amendments to provisions previously included in ch. 849 that are now located in part VII, are not intended to authorize additional games but to clarify current limitations on authorized games.

Section 149 renumbers s. 849.094, F.S., regarding game promotions (sweepstakes) in connection with the sale of consumer products or services to s. 551.50. In recent years, electronic sweepstakes establishments, generally called "Internet Cafés," or "Adult Amusement Arcades" proliferated in Florida and other states. The facilities often used casino-style sweepstakes games to promote sales of communications services such as internet access or telephone calling cards. The operations are not regulated by the state, and the games are not taxed.

Law enforcement and local district attorneys raised concerns about whether the use of an electronic simulated gaming machine in a game promotion is an illegal slot machine.

Current law prohibits operators of game promotions from requiring entry fees or proof of purchase to play, having predetermined winners, arbitrarily disqualifying entries, failing to award prizes, and advertising falsely. It contains no explicit exemption from the statutory prohibition on lotteries in s. 849.09, F.S., or any other statutory gambling prohibition.
If the total value of prizes offered in the game promotion exceeds $5,000, the operator must:

- File with the Department of Agriculture and Consumer Services a copy of the game rules and prizes 7 days before the game promotion begins;
- Establish a trust account equal to the total retail value of the prizes; and
- File a list of winners of prizes exceeding $25 within 60 days.

Violations of the statute are punishable as second-degree misdemeanors. Persons violating the statute may also be liable for civil fines. The statute does not apply to activities regulated by the Department of Business and Professional Regulation or bingo. Television or radio broadcasting companies licensed by the Federal Communications Commission are exempt from the statute's reporting requirements. The statute defines 'operator' to exclude charitable nonprofit organizations.

The Department of Agriculture and Consumer Services or the Department of Legal Affairs of the Office of the Attorney General are authorized to file suit in circuit court to enjoin a game promotion being operated in violation of s. 550.50(8)(c).

Sections 150 through 155 address authorized games such as bingo, amusement games and penny-ante games. Those provisions were previously part of ch. 849, but were transferred to part VII under "Miscellaneous Gaming."

Section 150 transfers and renumbers s. 849.092, F.S., regarding motor fuel retail business prizes, to s. 551.51, F.S. A licensed retailer of motor or diesel fuel may give away prizes if such gifts are solely for the purpose of advertising the retailer's goods and business, and the principal business of the retailer is the sale of fuel. No purchase may be required or any consideration payable in the form of money or anything of value. All promotional material and entry blanks must state that Florida residents are entitled to participate in the promotion and are eligible to win gifts or prizes.

Section 151 transfers and renumbers s. 551.085, F.S., to s. 551.52, regarding penny-ante games. Penny-ante games are those in which the winnings of any player in a single round, hand, or game do not exceed $10 in value, and include poker, pinochle, bridge, rummy, canasta, hearts, dominoes, and mah-jongg. Such games must be played in either residential or common premises. Current law does not include the premises of a park or recreation district as a location where penny-ante games may be played or conducted. The bill provides those types of districts are premises where penny-ante games are authorized to be played or conducted, if all other requirements of the law are met.

Residential premises means a unit, room or college dormitory room owned or rented by a game participant and occupied by the participant. Common premises means the common elements or common areas of a condominium, cooperative, residential subdivision, mobile home park, or park or recreation district, or the facilities of an organization that is tax-exempt as a charitable organization under s. 501(c)(7) of the Internal Revenue Code, or the common recreational area of a college dormitory, or a publicly owned community center owned by a municipality or county. The conduct of a penny-ante game in common premises does not create civil liability for damages on the part of an owner who was not a participant in the game.

A person may not receive any consideration for allowing a penny-ante game to occur in residential or common premises, and may not solicit participants by advertising in any form. All participants must be 18 years of age or older. Debts owed as a consequence of a penny-ante game is not legally enforceable.

Section 152 transfers and renumbers s. 849.0931, F.S., to s. 551.53, concerning authorized bingo. Current law does not include the premises of a park or recreation district as a location where bingo games or instant bingo may be played or conducted. The bill provides that the premises those types of districts are premises where bingo games and instant bingo are authorized to be played or conducted, if all other requirements of the law are met.

Bingo game participants pay for paper or pasteboard bingo cards that contain no fewer than 24 different numbers ranging from 1 to 75. Numbers are randomly drawn and announced one at a time, and players mark their bingo cards if an announced number matches a number on their card. The winner receives a pre-determined prize if a player receives the specified order or a pattern of numbers preannounced for that particular game. Instant bingo is a form of bingo using tickets that are opened to reveal a set of numbers, letters, objects, or pattern, some of which have been designated in advance as prize winners.

Bingo games and instant bingo may be conducted by charitable, nonprofit, or veteran's organizations that are engaged in charitable, civic, community, benevolent, religious or scholastic works or other similar endeavors, and that have been in existence and active for a period of 3 years or more. The entire proceeds, less actual business expenses, must be donated by the organization to the works and endeavors.

A charitable, nonprofit, or veteran's organization may not sponsor bingo games or instant bingo conducted by another organization, and may not conduct a bingo game more than 2 days per week. Such an organization must be located in the county, or within a 15-mile radius of the location where the bingo game or instant bingo is played. Only 3 jackpot prizes with a maximum value of $250 each may be awarded on a single day of play, and all other game prizes may not exceed $50 each. A person under 18 years of age may not play or be involved in the conduct of a bingo game or instant bingo.

Organizations not engaged in charitable, civic, community, benevolent, religious, or scholastic works or other similar endeavors which conduct bingo games must return all proceeds to players in the form of prizes.

The following entities (qualified associations or districts) may conduct bingo if the net proceeds are returned to players in the form of prizes after deduction the actual business expenses:

- Condominium associations;
- Cooperative associations;
- Homeowners' associations as defined in s. 720.301, F.S.;
- Mobile home owners' associations;
- Residents group of a mobile home park as defined in ch. 720, F.S.,
- Park or recreation district that is an independent special district as defined in s. 403, F.S.;
- A recreation district as defined in ch. 418, F.S., or

- Residents group of a mobile home park or recreational vehicle park as defined in ch. 513, F.S.

Each person conducting a bingo game or instant bingo must be a resident of the community where the organization is located, a bona fide member of the organization sponsoring the game, and may not be compensated in any way for operation of the game.

Any organization conducting a bingo game or instant bingo that is open to the public may refuse entry to a person who is objectionable or undesirable to the organization, but such refusal may not be based on the person's race, creed, color, religion, sex, national origin, marital status, or physical handicap.

Bingo games or instant bingo made be held only on the following premises:

- Property owned by the charitable, nonprofit, or veterans' organization;
- Property owned by the charitable, nonprofit, or veterans' organization that will benefit from the proceeds;
- Property leased for a period of not less than 1 year by a charitable, nonprofit, or veterans' organization, if rent is not based on a percentage of the proceeds generated and does not exceed rates for similar nearby premises;
- Property owned by a municipality or a county when the governing authority has specifically authorized by ordinance or resolution the use of the property for the conduct of such games;
- Property owned by a qualified association or district, or by residents thereof, or property that is a common area within a condominium, mobile home park, or recreational vehicle park.

Section 551.53(10) (formerly s. 849.0931(12), F.S.) states the rules for conducting of bingo games. A caller in a bingo game may not be a participant in that bingo game.

Section 153 transfers and renumbers s. 849.0935, F.S., to s. 551.54, concerning drawings by chance conducted by certain tax-exempt charitable organizations. Such organizations must have a current determination letter from the Internal Revenue Service recognizing the organization's tax-exempt status. A drawing by chance or raffles is a drawing in which one or more entries submitted by the public to the organization are selected by chance to win a prize.

Drawing by chance do not include game promotions defined under s. 849.094, F.S. (now s. 55150, addressed in Section 146 of the bill. However, an organization in compliance with the Solicitation of Contributions Act, ss. 496.401 t-496.424, F.S., may conduct drawings by chance.

Promotional materials and tickets must disclose the rules, the name and principal place of business of the organization, the source of the funds used to award or purchase prizes, that no contribution is necessary, and the date of the drawing if tickets are not offered to the public more than 3 days before the drawing.

No organization may conduct a drawing in which the winner is predetermined or the selection of the winners is rigged, or where a donation or payment or proof of purchase is a condition to entry or for selection as a prize winner. An organization may suggest a minimum donation and may

state the suggested minimum on printed material used in connection with the fundraising event or drawing. No disqualification or discrimination may be made between entrants who gave contributions and those who did not. Winners must be promptly notified at the address designated on the entry blank of the fact that he or she won. Any organization that violates s. 551.54 commits a second degree misdemeanor, punishable by imprisonment not exceeding 60 days, and a maximum fine of $500.

Section 154 transfers and renumbers s. 849.141, F.S., to s 551.55, concerning bowling tournaments. Notwithstanding any law to the contrary, a person may participate in or conduct a bowling tournament at a bowling center with at least 12 bowling lanes operated for entertainment of the general public to engage in bowling as a sport. Payment of entry fees from which the winner receives a purse or prize is specifically allowed.

Section 155 transfers and renumbers s. 849.161, F.S., to s. 551.56. The bill revises specifications and prize limits consistent with current law. Current law provides that amusement games or machines:

- Are located at authorized arcade amusement centers (having at least 50 coin-operated amusement games or machines on premises) or truck stops;
- Operate by insertion of a coin;
- May entitle a player, by application of skill, to receive points or coupons—the cost value of which does not exceed 75 cents on any game played—that may be exchanged onsite for merchandise.

The bill provides that "amusement games or machines" as defined in s. 551.56(1), are:

> …games which are operated only for bona fide entertainment of the general public, which are activated by means of the insertion of a coin, currency, slug, token, coupon, card, or similar device, and which, by application of skill, the person playing or operating the game or machine may control the results of play.

The term does not include and s. 551.56 does not authorize:

- Casino-style games in which the outcome is determined by factors unpredictable by the player;
- Games in which the player does not control the outcome through skill;
- Video poker games or any other game or machine that may be construed as a gambling device under Florida law; or
- Any game or device defined as a gambling device in 15 U.S.C. s. 1171, unless excluded under s. 1178 (i.e. slot machines, but excluding pari-mutuel betting machinery for use at a racetrack, a coin-operated bowling alley, a shuffleboard, marble machine or pinball machine, or mechanical gun, if they are not designed and manufactured primarily for gambling, and which when operated do not deliver any money or property, or entitle a person to receive any money or property, and any so-called claw, crane, or digger machine and similar devices which are not operated by coin, are actuated by a crank, and are designed and manufactured primarily for use at carnivals or county or state fairs.)

The bill defines "game played" as the event from the insertion of a coin, token, card, or similar device until the results of play are determined without insertion of additional devices to continue play. Free replays do not count as separate games played.

Free replays—An amusement game or machine may entitle or enable a person, by application of skill, to replay the game without additional coin, token, card, or similar device if the game or machine can accumulate and react to not more than 15 free replays, can be discharged of free replay only by reactivation for one additional play for each accumulated free replay, and does not make a permanent record of free replays.

Redeemable points or coupons—An amusement game or machine may entitle or enable a person, by application of skill, to receive points or coupons that can be redeemed onsite for merchandise under the following conditions:

- The amusement game or machine is located at an arcade amusement center, truck stop, bowling center defined in s. 551.53. F.S., or public lodging establishment or public food service facility licensed pursuant to ch. 509, F.S.;
- Points or coupons have no value other than for redemption onsite for merchandise;
- The redemption value of points or coupons a person receives for a single game played does not exceed $5.25;[23] and
- The redemption value of points or coupons a person receives for playing multiple games simultaneously or competing against others in a multi-player game, does not exceed $5.25.

Direct merchandise—An amusement game or machine may entitle or enable a person, by application of skill, to receive merchandise directly, if:

- The amusement game or machine is located at an arcade amusement center, truck stop, bowling center defined in s. 551.53, public lodging establishment or public food service facility licensed pursuant to chapter 509, or on the premises of a retailer as defined in s. 212.02; and
- The wholesale cost of the merchandise does not exceed $50.

Merchandise does not include cash equivalents, including gift cards, alcoholic beverages, or coupons, tokens, cards or similar devices that have commercial value, can activate an amusement game or machine, or can be redeemed onsite for merchandise.

The per-game limits on coupons, points, and merchandise shall be reviewed and adjusted by rule of the department, based on the rate of inflation.

Sections 156 through 203 address prohibited criminal activities in ch. 849.

Section 204 provides that the department and the board are authorized to enforce the act and cooperate with all agencies in the United States charged with enforcing any law related to prohibited gambling.

[23] The bill defines "redemption value" as the imputed value of coupons or points, based on the wholesale cost of merchandise for which those coupons or points may be redeemed. *See* s. 551.56(1)(e).

Sections 205 through 226 detail all conforming revisions and updates to cross references.

Section 227 states that except as otherwise expressly provided, the effective date of the act is July 1, 2014.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditures of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

Section 127 of the bill states that the board may award one destination casino resort license in Miami-Dade County and one destination casino resort license in Broward County. Therefore, these provisions are designed to operate only in a specific part of the state.

Article III, section 10, of the Florida Constitution forbids the Legislature to pass a special law without either providing advance notice of intent to enact the law or conditioning the law's effectiveness upon a referendum of the electors of the areas affected.[24] As the term is used in the Florida Constitution, a special law is "a special or local law, and case law defines "special law," "local law," and "general law" as follows:

[A] special law is one relating to, or designed to operate upon, particular persons or things, or one that purports to operate upon classified persons or things when classification is not permissible or the classification adopted is illegal; a local law is one relating to, or designed to operate only in, a specifically indicated part of the state, or one that purports to operate within classified territory when classification is not permissible or the classification adopted is illegal.[25]

A general law operates universally throughout the state, or uniformly upon subjects as they may exist throughout the state, or uniformly within permissible classifications by

[24] *DeBary Real Estate Holdings, LLC v. State Dept. of Bus. and Prof'l. Reg.*, 12 So.3d 157, (Fla. 1st DCA 2011).
[25] *Id.*

population of counties or otherwise, or is a law relating to a state function or instrumentality.[26]

As the provisions of s. 127 will not operate universally or uniformly throughout the state, the bill requires that prior to any award of a destination casino resort license in a county, the proposal must be submitted as a referendum in that county.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The establishment of destination casino resorts in large counties such as Miami-Dade and Broward counties was evaluated in 2013 at the request of the Legislature by Spectrum Gaming Group (Spectrum). A shorthand reference, Scenario I, was used by Spectrum for the evaluation in its Gambling Impact Study.[27]

For Scenario I, Spectrum stated that destination casino resorts restricted to Miami-Dade and Broward counties "could provide a desirable combination of economic benefits via expansion while minimizing the negative consequences because gaming already is prominent in South Florida."[28] However, Spectrum also stated that the "location and breadth of non-gaming amenities…could pose threats to existing restaurant, hotels and entertainment options−particularly if the resorts failed to attract incremental out-of-market visitors" and cannibalize discretionary spending already destined for existing businesses.[29]

Spectrum concluded that there would "likely to be only mildly positive impacts on local employment and wages" in densely populated urban Florida counties, because casinos would not represent a large expansion of the local economies of those counties.[30]

The filing of required records respecting injuries to racing greyhounds is similar to existing requirements respecting deaths of racing greyhounds, but constitutes an additional cost to greyhound racing permitholders.

The option to greyhound racing permitholders to reduce the number of live races required to maintain cardroom licenses will have some impact on permitholder revenues and expenses.

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[26] *Id.* (quoting *State ex rel. Landis v. Harris*, 120 Fla. 555, 163 So. 237, 240 (1934)).
[27] *See Spectrum Gaming Group Gambling Impact Study dated October 28, 2013, prepared for the Florida Legislature, a copy of which is available at* http://www.leg.state.fl.us/gamingstudy/docs/FGIS_Spectrum_28Oct2013.pdf (Last visited February 26, 2013).
[28] *Id. at page 101.*
[29] *Id. at page 102.*
[30] *Id. at page xxviii.*

C. Government Sector Impact:

The implementation of a new Department of Gaming and the establishment of a Gaming Control Board proposed in the bill will impact the government sectors affected. The transfer of the existing Division of Pari-mutuel Wagering of the Department of Business and Professional Regulation will impact that agency and its affected personnel.

The maintenance of records associated with injuries to racing greyhounds is similar to existing requirements respecting deaths of racing greyhounds and should have minimal impact upon administrative expense. The option to greyhound racing permitholders to reduce the number of live races required to maintain cardroom licenses may reduce regulatory expense.

The bill may reduce the complexity and cost of local enforcement actions regarding gambling activities in the state.

VI. Technical Deficiencies:

Line 5831 of the bill refers to an incorrect date of July 6, 2010. The date should be corrected to July 1, 2010, which is the correct effective date of Chapter 2009-170, Laws of Florida, as amended by Chapter 2010-29, Law of Florida.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates the following sections of the Florida Statutes: 11.93, 20.222, 551.001, 551.0011, 551.0012, 551.0013, 551.0014, 551.0015, 551.0016, 551.0017, 551.0018, 551.011, 551.012, 551.013, 551.014, 551.018, 551.021, 551.0221, 551.0222, 551.0241, 551.0242, 551.0251, 551.0252, 551.0253, 551.026, 551.029, 551.0321, 551.0322, 551.033, 551.034, 551.035, 551.036, 551.037, 551.038, 551.039, 551.042, 551.043, 551.045, 551.0511, 551.0512, 551.0521, 551.0522, 551.0523, 551.0524, 551.053, 551.0541, 551.0542, 551.0543, 551.0551, 551.0552, 551.0553, 551.056, 551.062, 551.0622, 551.063, 551.072, 551.073, 551.074, 551.075, 551.076, 551.077, 551.078, 551.082, 551.091, 551.0921, 551.0922, 551.093, 551.0941, 551.0942, 551.0943, 551.0944, 551.095, 551.303, 551.401, 551.403, 551.405, 551.407, 551.409, 551.41, 551.411, 551.413, 551.414, 551.415, 551.416, 551.417, 551.418, 551.42, 551.422, 551.424, 551.426, 551.428, 551.43, 551.44, 551.445, 551.45, and 849.47.

This bill substantially amends the following sections of the Florida Statutes: 11.45, 20.165, 72.011, 72.031, 110.205, 120.80, 196.183, 205.0537, 212.02, 212.031, 212.04, 212.05, 212.054, 212.12 212.20, 267.0617, 285.710, 285.712, 402.82, 455.116, 480.0475, 509.032, 551.101, 551.102, 551.103, 551.104, 551.105, 551.106, 551.108, 551.109, 551.111, 551.112, 551.113, 551.114, 551.116, 551.117, 551.118, 551.119, 551.121, 551.122, and 551.123, 551.1045, 849.086, 550.105, 551.107, 559.801, 561.1105, 772.102, 773.03, 895.02.

This bill transfers and renumbers the following sections of the Florida Statutes: 550.901, 550.902, 550.903, 550.904, 550.905, 550.906, 550.907, 550.908, 550.909, 550.910, 550.911, 550.912, and 550.913.

This bill transfers, renumbers, and amends the following sections of the Florida Statutes: 849.094, 849.092, 849.085, 849.0931, 849.0935, 849.141, 849.161, 849.01, 849.02, 849.03, 849.04, 849.05, 849.07, 849.08, 849.09, 849.091, 849.0915, 849.10, 849.11, 849.12, 849.13, 849.14, 849.15, 849.16, 849.17, 849.18, 849.19, 849.20, 849.21, 849.22, 849.23, 849.231, 849.232, 849.233, 849.235, 849.25, 849.26, 849.29, 849.30, 849.31, 849.32, 849.33, 849.34, 849.35, 849.36, 849.37, 849.38, 849.39, 849.40, 849.41, 849.42, 849.43, 849.44, 849.45, and 849.46.

This bill repeals the following sections of the Florida Statutes: 550.001, 550.002, 550.0115, 550.01215, 550.0235, 550.0251, 550.0351, 550.0425, 550.054, 550.0555, 550.0651, 550.0745, 550.0951, 550.09511, 550.09512, 550.09514, 550.09515, 550.1155, 550.125, 550.135, 550.155, 550.1625, 550.1645, 550.1646, 550.1647, 550.1648, 550.175, 550.1815, 550.235, 550.24055, 550.2415, 550.255, 550.2614, 550.26165, 550.2625, 550.2633, 550.26352, 550.2704, 550.285, 550.334, 550.3345, 550.3355, 550.3551, 550.3615, 550.375, 550.475, 550.495, 550.505, 550.5251, 550.615, 550.625, 550.6305, 550.6308, 550.6315, 550.6325, 550.6335, 550.6345, 550.70, and 550.71.

This bill creates unnumbered sections of the Florida Statutes.

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.