

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

The provisions of the bill do not appear to implicate the House principles.

B. EFFECT OF PROPOSED CHANGES:

Present situation

The Division of Pari-mutuel Wagering (division) at the Department of Business and Professional Regulation (DBPR) is the state agency responsible for licensing and regulating cardroom activities. A cardroom may be operated only at the location specified on the cardroom license issued by the division and the location may only be where the permitholder is authorized to conduct pari-mutuel wagering activities. A cardroom may operate between the hours of 12:00 noon and 12:00 midnight on any day a live event is scheduled. In addition, any permitholder who holds a cardroom license may operate between the hours of 12:00 noon and 12:00 midnight on any day that live racing of the same class of permit is occurring within 35 miles of its facility if no other holder of that same class of permit within 35 miles is operating a cardroom and if all holders of the same class of permit within the 35 mile area have given written permission to the permitholder to operate the cardroom during the designated period. [See s. 849.086, F.S.]

Present law provides for a \$2 maximum wager with a maximum of three raises in any round of betting. Cardrooms are limited to playing games of poker and the statute imposes a 10 percent tax on a cardrooms' gross receipts.

The playing of certain penny-ante games was legalized in 1989. Section 849.085, F.S., permits the conduct of penny-ante games and provides restrictions for this activity. This section defines a penny-ante game as a game or series of games of poker, pinochle, bridge, rummy, canasta, hearts, dominoes, or mah-jongg in which the winnings of any player in a single round, hand, or game do not exceed \$10 in value.

Effect of proposed changes

This bill authorizes cardroom operators to host high-stakes poker tournaments and high stakes dominoes tournaments at pari-mutuel facilities authorized to operate cardrooms. Under the provisions of this legislation high stakes poker tournaments may be conducted twice a year for one week at a time and may only be conducted once during any six month period. "High stakes poker" is defined to mean a game of poker without limits on the amount wagered in any game or series of games or without limits on the rounds of betting.

This bill defines dominoes to mean flat rectangular blocks the faces of which are divided into two equal parts that are blank or include from one to six dots arranged in a pattern. "High stakes dominoes" is defined to mean a game of dominoes played with a set of 28 dominoes that is played without limits on the amount wagered in any game or series of games or without limits on the rounds of betting. Like high stakes poker tournaments, dominoes tournaments may be conducted twice a year for one week at a time and may only be conducted once during any six month period.

C. SECTION DIRECTORY:

Section 1. Amends various provisions of s. 849.086, F.S., to authorize cardroom operators to host high stakes poker and high stakes dominoes tournaments at pari-mutuel facilities.

Section 2. Provides that the act will take effect July 1, 2007.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The revenues from the participation fees likely will increase as participation increases, however it is not expected to be significant.

2. Expenditures:

The department may be required to investigate more complaints or carry out more inspections related to the tournaments proposed by the legislation but is expecting to use existing resources.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Cardroom operators hosting high stakes poker or dominoes tournaments will benefit from increased participation fees.

D. FISCAL COMMENTS:

According to the department, any increase in revenues generated by this legislation is expected to be minimal and any increase in inspections or investigations will be handled within existing resources.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or cities to spend funds or take an action requiring the expenditure of funds; does not reduce the authority that cities or counties have to raise revenues in the aggregate; and does not reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

NA

D. STATEMENT OF THE SPONSOR

The purpose of this bill is to allow Florida to compete to be a destination for high-profile tournaments like the World Series of Poker, WSOP Circuit Events and Tournament of Champions Events. Such events attract thousands of entrants and spectators each year, and are regularly televised on ESPN.

Players and fans are drawn not just to locations traditionally associated with gambling like Las Vegas and Atlantic City, but to places like Elizabeth, Indiana, Tunica, Mississippi, and Council Bluffs, Iowa. With Florida's year-round warm weather and popularity as a tourist destination, it makes sense that we should seek to draw such high-profile events here, and allow our communities to enjoy the economic benefits.

This bill would permit two high-stakes tournaments a year, with not more than one tournament in any six-month period, at pari-mutuels that have card-rooms. I intend to amend my bill in several ways at a meeting of this committee.

- First, I will propose adding a requirement that the events be televised, so that we can ensure that we are attracting bona-fide, high-profile national events that will have the positive economic impact that is the goal of this legislation.
- Second, I will propose permitting the events authorized by this bill only at existing pari-mutuel cardrooms, so that we are not expanding gaming into local areas that are not already accustomed to having card games in their communities.
- Finally, I will propose removing dominoes tournaments from the events authorized by this bill. Dominoes are not currently permitted in any cardroom in this state, and it is not my goal with this legislation to expand gaming in that manner.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

On March 15, 2007, the Committee on Business Regulation adopted a strike all amendment and passed the bill out of committee. As explained by the sponsor, the amendment:

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permits the events authorized by this bill only at existing pari-mutuel cardrooms, so that we are not expanding gaming into local areas that are not already accustomed to having card games in their communities.

removes dominoes tournaments from the events authorized by this bill. Dominoes are not currently permitted in any cardroom in this state, and it is not my goal with this legislation to expand gaming in that manner.