

The Florida Senate
PROFESSIONAL STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Prepared By: Finance and Tax Committee

BILL: CS/SB 216

INTRODUCER: Regulated Industries Committee and Senator Geller

SUBJECT: Cardrooms

DATE: April 10, 2007

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Sumner</u>	<u>Imhof</u>	<u>RI</u>	Fav/CS
2.	<u>Keating</u>	<u>Johansen</u>	<u>FT</u>	Unfavorable
3.	_____	_____	<u>GA</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The bill provides for definitions of high-stakes poker. It authorizes cardroom operators to host high-stakes poker tournaments in cardrooms located at authorized pari-mutuel facilities twice a year. It also provides for rulemaking for the operation of the high-stakes poker tournaments.

This bill substantially amends section 849.086 of the Florida Statutes.

II. Present Situation:

A cardroom may be operated only at the location specified on the cardroom license issued by the division and such location may be only where such permit holder is authorized to conduct pari-mutuel wagering activities subject to its pari-mutuel permit. 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 charged a fee for participation by the operator of such facility. Authorized games and cardrooms do not constitute casino gaming operations.

Section 849.086(2)(a), F.S., defines an “authorized game” at a cardroom as a game or series of games of poker which are played in a nonbanking manner. Authorized cardroom games or series of games of poker may not exceed a \$2 bet with a maximum of three raises in any round of betting.

A “banking game” is defined in s. 849.086(2)(b), F.S., as “a game in which the house is a participant in the game, taking on players, paying winners, and collecting from losers or in which the cardroom establishes a bank against which participants play.”

Up until 2003, an “authorized game” at a cardroom included “penny-ante games” as defined in s. 849.085, F.S., which includes a game or series of games of poker, pinochle, bridge, rummy, canasta, hearts, dominoes, or mah-jongg.¹

Dominoes, along with poker, pinochle, bridge, rummy, canasta, hearts, and mah-jongg, is still allowed to be played in a penny ante game authorized under s. 849.085, F.S. This section authorizes penny ante games to be played in residential premises and certain common areas of community associations and college dormitories and recreational rooms. The winnings of a “penny-ante game” may never exceed more than \$10 for a single round, hand or game.

A cardroom may operate between the hours of 12 noon and 12 midnight on any day a pari-mutuel event is conducted live as a part of its authorized meet. In addition, any permitholder who holds a valid cardroom license may operate a cardroom between the hours of 12 noon and 12 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 at such time 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.²

One of the national tournament poker tours, the World Series of Poker is scheduled to be televised on Tuesday nights on the ESPN network.³ Another poker tour that is televised is the World Poker Tour which is televised at various times on the Travel Channel network.⁴

III. Effect of Proposed Changes:

The bill creates paragraph (i) of subsection (2) of s. 849.086, F.S., providing a definition for “high-stakes poker” and defines it to mean a game of poker which is played without limits on the amount wagered in any game or series of games or without limits on the rounds of betting established.

The bill allows for rulemaking for the operation of high-stakes poker tournaments, including, but not limited to, maximum buy-in amounts, number of players, amount of betting units, and payout scales.

The bill creates a new subsection (9) of s. 849.086, F.S., to allow for high-stake poker tournaments where a cardroom operator may host a televised high-stakes poker tournament for one week twice each year at an authorized cardroom during the hours that the pari-mutuel facility is open to conduct business.⁵ The tournament is allowed only once in any six month period.

¹ Section 849.085, F.S., was amended by ch. 2003-295, L.O.F., to eliminate the games of pinochle, bridge, rummy, canasta, hearts, dominoes, or mah-jongg.

² Section 849.086(7)(b), F.S.

³ <http://sports.espn.go.com/espntv/espnShow?showID=GMPO> (last visited March 14, 2007).

⁴ <http://www.worldpokertour.com/television/?x=tvshow> (last visited March 14, 2007).

⁵ It is unclear if this language limits the high-stake poker tournaments to operate when the facility is authorized to accept wagers on pari-mutuel events during its authorized meets.

The bill provides that the high-stakes poker tournament consists of a series of games played at multiple tables. Only tournament chips, provided in exchange for an entry fee or any subsequent rebuys, are allowed to be played. All players receive an equal amount of chips. The chips represent points and there is no limitation on the number of chips that can be used for a bet except as determined by the cardroom operator. The chips can never be exchanged for cash or anything of value. The entry fee is determined by the cardroom operator as well as the total number of players that may enter the tournament. The distribution of prizes and cash awards is determined by the cardroom operator before the entry fees are accepted. Gross receipts, for purposes of the tournament, means the total amount received by the cardroom operator for all entry fees, player rebuys, and fees for participation in tournaments, less the total amount paid to the winners or other as prizes.

The bill provides an effective date of July 1, 2007.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

The Revenue Estimating Conference estimated that the authorization for high stake poker tournaments to be held twice a year at pari-mutuel facilities with licensed cardrooms, will have an insignificant, positive impact on cardroom revenues.

B. Private Sector Impact:

The pari-mutuel facilities that have authorized cardrooms should benefit from increased cardroom revenues from the tournaments.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

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

VIII. Summary of Amendments:

None.

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