

Florida Destination Casino Gambling Bill Released

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By David Roberts

The highly anticipated Florida "destination casino" bill has been released. HB 487 "Gaming" by Rep. Erik Fresen (R-Miami) would authorize three (3) large "destination resorts" in Broward and Miami-Dade Counties that would permit full-fledge casino gaming. An identical Senate companion bill by Sen. Ellyn Bogdanoff (R-Ft. Lauderdale) is expected to be released soon.

Synopsis of the Legislation

In submitting a bid to be awarded one of the three "destination resorts with a limited gaming facility", a company must:

- submit a one-time licensing fee of \$50 million (refundable only if the state denies the application) commit to invest at least \$2 billion each in the "destination resort" complexes
- must segregate the casino gaming area away from the main resort or convention-area complex so that a visitor can attend the resort without seeing or entering the gaming areas
- limit the casino gaming space to no more than 10% of the total square footage of the resort facility

"Limited Gaming" is broadly defined as any game of chance that is authorized by the Commission, and includes but is not limited to baccarat, twenty-one (blackjack), poker, craps, slot machines, video gaming of chance, roulette, etc.

Once operating, each destination resort licensee shall pay:\

- a 10% gross receipts tax
- an annual non-refundable \$2 million license fee

For the existing pari-mutuel "racinos" in South Florida, the proposed legislation does not provide:

- a lower slot machine tax rate
- any gaming "parity" or the ability to play the same casino games allowed under the bill

The bill will create a new regulatory body called "The Department of Gaming Control" which will:

- regulate, administer, and license the "destination resorts with a limited gaming facility"
- replace the current Division of Pari-Mutuel Wagering and regulate the pari-mutuel industry, cardrooms and "racinos" at the pari-mutuel facilities in Broward and Miami-Dade Counties
- have the ability to employ sworn law enforcement officers

A seven member State Gaming Commission will be established as the agency head of the new Department which will be headquartered in South Florida. The Commission members will:

- serve staggered 4-year terms
- one member must be a licensed CPA
- one must have experience in investigation or law enforcement

The Commission Chair is appointed by the Governor with the remaining members selected by the Governor via nomination by the State Gaming Commission Nominating Committee, which is made up of three members of the Florida Senate and three members of the Florida House of Representatives.

The Commission will have broad authority to:

- issue the "destination resort" gaming licenses and individual occupational licenses
- investigate and issue subpoenas
- conduct law enforcement activities if the commission employs sworn law enforcement officers
- promulgate emergency administrative rules
- collect taxes
- impose fees and penalties

The bill requires that each "destination resort with a limited gaming facility" pay an annual \$250,000 fee to fund a compulsive and addictive gambling prevention program selected by the Department.

The bill currently has an effective date of July 1, 2012 but it is expected that it will be amended to have an effective date of "upon becoming law".

- If that does occur, then the Commission could issue the invitation to negotiate for the "destination resort" gaming license seven months after the bill becomes law, around October 1, 2012.
- Subsequently, if all timeframes are met for awarding the "destination resort" limited gaming license, it is anticipated that approximately one year after the bill becomes law, the first of the "destination resort" licenses could be issued in April 2013.

The current bill does not address the "internet cafes" or "adult arcades" in the state and does not propose to regulate nor eliminate them.

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