HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB SICR 10-03 Gaming
SPONSOR(S): Select Committee on Seminole Indian Compact Review
TIED BILLS: **IDEN./SIM. BILLS:**

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.:	Select Committee on Seminole Indian Compact Review		Levesque	Levesque
1)				
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4)				
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SUMMARY ANALYSIS

The bill ratifies a proposed compact executed between the Governor and the Seminole Tribe of Florida on an unspecified date in April. The Governor is required to cooperate with the Seminole Tribe in seeking approval of the compact by the Secretary of the United States Department of Interior. The bill amends the Governor's authority to negotiate a compact and the procedures for transmitting such document to the Legislature.

The bill further provides a distribution formula for local government revenue sharing.

The bill also provides that the Seminole Tribe is authorized to conduct gaming activities permitted under the compact that are not otherwise permitted under Florida law; furthermore, participation in such activities is not a crime.

In addition to ratification, the provisions of Florida law setting forth the requirements of a model compact are repealed.

This bill changes the effective date of the pari-mutuel provisions contained in earlier legislation enacted as chapter 2009-170, Laws of Florida. The pari-mutuel provisions are already law; however, they have not yet taken effect, because the legislation tied the pari-mutuel provisions to events related to the compact. The bill amends the effective date of the pari-mutuel provisions contained in ch. 2009-170, LOF, to be effective upon becoming law.

The bill has not been estimated by the revenue Estimating Conference; however, the ratification of the compact would have a positive fiscal impact on state and local revenues. The changes in the effective date to ch. 2009-170, LOF will likely have a positive fiscal impact to general revenue, but a negative fiscal impact on state trust funds.

The bill would be effective upon becoming law.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Regarding gambling activity within its borders, Florida has a state-run lottery; 7 casino facilities operated by the Seminole Tribe, located on 6 reservations in 5 counties; 1 casino facility operated by the Miccosukee Tribe, located in Miami-Dade County; and 28 licensed pari-mutuels, located throughout 19 counties in the state, 5 of which have casino facilities that offer Class III Slots in Broward and Miami-Dade County.

The Seminole Indian Tribe is a federally recognized Indian tribe whose reservations and trust lands are located in the State. The Tribe has seven facilities located on tribal lands as follows:

1. the Seminole Indian Casino on the Brighton Indian Reservation in Okeechobee County,
2. the Seminole Indian Casino in Immokalee in Collier County,
3. the Seminole Indian Casino in the City of Hollywood in Broward County,
4. the Seminole Indian Casino in the City of Coconut Creek in Broward County,
5. the Seminole Hard Rock Hotel & Casino in the City of Hollywood in Broward County,
6. the Seminole Indian Big Cypress Casino in the City of Clewiston in Hendry County, and
7. the Seminole Hard Rock Hotel & Casino in the City of Tampa in Hillsborough County.

In 2004, Florida's voters approved an initiative petition that amended the state constitution to allow Class III slots at pari-mutuels in Broward and Miami-Dade Counties, subject to a final county-level vote of approval in each county.[1] In 2005, Broward County's voters approved slots for their county, granting the right to offer class III slot machines at four pari-mutuel facilities: Dania Jai Alai; Gulfstream Park Racing and Casino (thoroughbred racing); The Isle Casino and Racing at Pompano Park (harness racing); and Mardi Gras Race Track and Gaming Center (greyhound racing). However, Miami-Dade voters rejected slots at that time. In 2008, the question was again placed before Miami-Dade voters and was approved, granting the right to offer class III slot machines to three more facilities: Calder Race Course (thoroughbred racing); Miami Jai-Alai; and Flagler Greyhound Track (Magic City Casino). At this time, Calder Race Course, Dania Jai-Alai and Miami Jai-Alai are the only facilities currently eligible to offer slots that are not presently offering such games; however, Calder is slated to open their casino in January 2010.

The Indian Gaming Regulatory Act

[1] Art. X, s. 23, Fla. Const.

The Indian Gaming and Regulatory Act (IGRA), codified at 25 USCA §§ 2701-2721, was enacted in 1988 in response to the United State Supreme Court decision in *California v. Cabazon Band of Mission Indians*, 480 U.S. 202 (1987). The act provides for "a system for joint regulation by tribes and the Federal Government of class II gaming on Indian lands and a system for compacts between tribes and States for regulation of class III gaming."[2] In so doing, IGRA seeks to balance the competing interests of two sovereigns: the interests of the Tribe in engaging in economic activities for the benefit of its members and the interest of the state in either prohibiting or regulating gaming activities within its borders.[3]

IGRA separates gaming activities into three categories:

- Class I games are "social games solely for prizes of minimal value or traditional forms of Indian gaming engaged in by individuals as a part of, or in connection with, tribal ceremonies or celebrations."[4] Class I games are within the exclusive jurisdiction of the Indian tribes.[5]
- Class II games are bingo and card games that are explicitly authorized or are not explicitly prohibited by the laws of the State.[6] The tribes may offer Class II card games "only if such card games are played in conformity with those laws and regulations (if any) of the State regarding hours or periods of operation of such card games or limitations on wagers or pot sizes in such card games."[7] Class II gaming does not include "any banking card games, including baccarat, chemin de fer, or blackjack (21), or electronic or electromechanical facsimiles of any game of chance or slot machines of any kind."[8] Class II games are also within the jurisdiction of the Indian tribes, but are also subject to the provisions of IGRA.[9]
- Class III games are defined as any games that are not Class I or Class II. Class III games include slot machine and banked card games such as blackjack, baccarat and chemin de fir.[10]

Class III games can only be offered by an Indian tribe if they meet three requirements: (1) the games are authorized by an ordinance or resolution adopted by the governing body of the Indian tribe, is approved by the Chairman of the National Indian Gaming Commission, and comply with the regulatory requirements of IGRA; (2) the games are located in a State that permits such gaming for any purpose by any person, organization, or entity; and (3) the games are conducted in conformance with a Tribal-State compact entered into between an Indian tribe and State that is in effect.[11]

When an Indian tribe desires to conduct Class III games, the tribe must request the state to enter into negotiations for the purpose of entering into a tribal-state compact governing the conduct of gaming activities. Upon receiving such a request, the state is obligated to negotiate with the Indian tribe in good faith to enter into such a compact.[12] Under IGRA, a tribe is not entitled to a compact, but is only entitled to a state's good faith negotiations. A compact may include the following provisions: (1) the application of the criminal and civil laws and regulations of the Indian tribe or the State that are directly related to, and necessary for, the licensing and regulation of such activity; (2) the allocation of criminal and civil jurisdiction between the State and the Indian tribe necessary for the enforcement of such laws and regulations; (3) the assessment by the State of such activities in such amounts as are necessary to defray the costs of regulating such activity; (4) taxation by the Indian tribe of such activity in amounts comparable to amounts assessed by the State for comparable activities; (5) remedies for breach of contract; (6) standards for the operation of such activity and maintenance of the gaming facility,

[2] United States Senate Report No. 100-446, Aug. 3, 1988
[3] Id.
[4] 25 U.S.C. 2703(6)
[5] 25 U.S.C. 2710(a)(1)
[6] 25 U.S.C. 2703(7)(A)
[7] *See id.*
[8] 25 U.S.C. 2703(7)(B)
[9] 25 U.S.C. 2710(a)(2) and (b)
[10] 25 U.S.C. 2703
[11] 25 U.S.C. 2710(d)(1)
[12] 25 U.S.C. 2710 (d)(3)(A)

including licensing; and (7) any other subjects that are directly related to the operation of gaming activities.[13]

Any compact that is entered into by a tribe and a state will take effect when approval by the Secretary of the Interior is published in the Federal Register.[14] Upon receipt of a proposed compact, the Secretary has 45 days to approve or disapprove the compact.[15] A compact will be considered to be approved if the Secretary fails to act within the 45-day period.[16] A compact that has not been validly "entered into" by a state and a tribe, e.g. execution of a compact by a state officer who lacks the authority to bind the state, cannot be put "into effect" because it was improperly entered into, even if the Secretary of the Interior publishes the compact in the Federal Register.[17]

Congress provided two options by which a tribe could obtain the ability to conduct Class III tribal gaming.[18] Under the first option, the tribe and the state may voluntarily negotiate a compact permitting class III gaming, subject to approval of the compact by the Secretary.[19]

Under the second option, when the negotiations fail to produce a compact, a tribe may file suit against the state in federal court and seek a determination whether the state negotiated in good faith.[20] If the court finds the state negotiated in good faith, the tribe's proposal fails. On a finding of lack of good faith, however, the court may order negotiation, then mediation. If the state ultimately rejects a court-appointed mediator's proposal, the Secretary "shall prescribe, in consultation with the Indian tribe, procedures ... under which class III gaming may be conducted."[21]

The tribal remedies provided under the second option were nullified in the case of *Seminole Tribe of Florida v. Florida*, 517 U.S. 44 (1996). In that case, the Seminole Tribe of Florida had argued that the State had not negotiated in good faith,[22] seeking relief through IGRA. The United States Supreme Court concluded that Congress's attempt to abrogate the State's Eleventh Amendment immunity from suit[23] under the Indian Commerce Clause was invalid. The practical effect of the Court's ruling was to take away a tribe's ability to enforce the provisions of IGRA against a state that may be negotiating in bad faith.

In response to *Seminole Tribe*, the Department of the Interior adopted rules to craft a remedy for tribes who bring suit against a state which raises the Eleventh Amendment as a defense.[24] The validity of the promulgated rules is suspect. The only federal court to squarely address the validity of the secretarial rules held them to be invalid. In *Texas v. United States*, 497 F.3d 491, (5th Cir. 2007), the Fifth Circuit Court of Appeals found Interior's procedures would upset the "finely-tuned balance between the interests of the states and the tribes" by legalizing tribal gaming in the absence of either a compact or a finding of bad faith through a neutral judicial process. Whether the Department of the Interior has the authority to issue such procedures and permit tribal gaming in the absence of a valid compact is still an open question in the Eleventh Circuit.

There is no explicit provision under IGRA that authorizes revenue sharing. IGRA specifically states:

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[13] 25 U.S.C. 2710 (d)(3)(C)
[14] 25 U.S.C. 2710(d)(3)(B)
[15] 25 U.S.C. 2710(d)(8)(C)
[16] *See id.*
[17] *See Pueblo of Santa Ana v. Kelly*, 104 F.3d 1546, (10th Cir. 1997), cert. denied, 522 U.S. 807 (1997).
[18] See generally 25 U.S.C. 2710(d)
[19] 25 U.S.C. 2710(d)(3)
[20] 25 U.S.C. 2710(d)(7)
[21] 25 U.S.C. 2710(d)(7)(B)
[22] Notwithstanding the Seminole Tribe's contrary contentions, the only federal court to rule on the question found that the State had negotiated in good faith. *See Seminole Tribe of Florida v. Florida*, 1993 WL 47599 (S.D. Fla. 1993).
[23] The Eleventh Amendment to the United States Constitution states "The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State."
[24] 25 C.F.R. 291.1, et seq.

"[N]othing in this section shall be interpreted as conferring upon a State or any of its political subdivisions authority to impose any tax, fee, charge, or other assessment upon an Indian tribe or upon any other person or entity authorized by an Indian tribe to engage in a class III activity. No State may refuse to enter into the negotiations described in paragraph (3) (A) based upon the lack of authority in such State, or its political subdivisions, to impose such a tax, fee, charge, or other assessment."[25]

Notwithstanding this restriction, revenue sharing has been permitted when the State has provided a valuable economic benefit to, usually in the form of substantial exclusivity in game offerings or geographic monopoly or a right to conduct such offerings on more favorable terms than non-Indians.[26]

Litigation of the 2007 Compact

Since January, 1991, the Seminole Tribe has sought a Class III gaming compact with the State of Florida.[27] Following the decision in *Seminole Tribe of Florida v. Florida*, 517 U.S. 44 (1996), the Department of the Interior instituted rules to authorize class III gaming when a state asserts Eleventh Amendment immunity. The Tribe subsequently petitioned the Department to establish Class III gaming procedures. In January 2001, the Secretary issued a twenty-page decision allowing the Tribe to offer a wide range of Class III games. When the State requested clarification of the Secretary's order, the Secretary withdrew the decision.

After Broward County approved Class III slots in 2005, negotiations between the Seminole Tribe and Governor Bush were again commenced in earnest. In late 2006, negotiations reached an impasse and were discontinued.

On November 14, 2007, Governor Charlie Crist entered into a compact with the Seminole Tribe. Under the terms of the Compact, the Tribe was allowed to offer banked card games, including blackjack, baccarat and chemin de fer, which are illegal under Florida law. The compact was entered into under threat of authorization of slot machines via secretarial procedures from the Department of the Interior. Then-Speaker Marco Rubio promptly sued Governor Crist on the ground that Florida's constitutional separation of powers required legislative approval of the compact. The compact was not acted upon by the Secretary of the Interior within 45 days, and subsequently was considered approved by operation of law and published on January 7, 2008.

In a unanimous opinion issued on July 3, 2008, the Florida Supreme Court ruled the compact invalid absent legislative approval.[28] The Court found that the Governor had exceeded the scope of his authority by granting the Tribe the right to engage in activity – specifically, banked card games – that was otherwise illegal under state law.

The Seminole Tribe was able to begin offering Class III slots and banked card games at several of its locations in Florida during the pendency of the lawsuit. The rollout of Class III slot machines and table games was as follows:

- January 24, 2008 – Class III slots at the Seminole Hard Rock Hotel & Casino in Hollywood, FL
- February 27, 2008 – Class III slots at the Seminole Indian Casino in Coconut Creek, FL
- March 10, 2008 – Class III slots at the Seminole Indian Casino in Hollywood, FL
- April 22, 2008 – Class III slots at the Seminole Hard Rock Hotel & Casino in Tampa, FL
- May 20, 2008 – Class III slots at the Seminole Indian Casino in Immokalee, FL
- June 16, 2008 – Class III slots at the Seminole Indian Casino on the Brighton Indian Reservation
- June 22, 2008 – Banked table games at the Seminole Hard Rock Hotel & Casino in Hollywood, FL

[25] 25 U.S.C. 2710(d)(4)

[26] *See generally In re Indian Gaming Related Cases*, 331 F.3d 1094 (9th Cir. 2003)(upholding revenue sharing for where revenues were apportioned to non-gaming tribes); *see also* Letter From Gale A. Norton, Secretary of the Department of Interior, to Cyrus Schindler, President of the Seneca Nation of Indians, dated November 12, 2002.

[27] *Investing in Florida's Future*, Seminole Tribe of Florida Promotional Materials

[28] *Florida House of Representatives v. Crist*, 990 So. 2d 1035 (Fla. 2008)

- November 13, 2008 – Banked table games at the Seminole Hard Rock Hotel & Casino in Tampa, FL
- December 4, 2008 – Banked table games at the Seminole Indian Casino in Immokalee, FL[29]

The Tribe has been making revenue sharing payments to the state consistent with their position the now-voided compact is still valid. As of December 31, 2009, the Tribe has paid $ 212.5 million to the State. The Legislature has not appropriated those funds.

2009 Extended Legislative Session

In the 2009 Regular Session the Legislature enacted and the Governor signed CS/CS/SB 788 which empowered the Governor to negotiate and enter into a new compact on behalf of the State with the Seminole Tribe for the purpose of authorizing Class III gaming on the Tribe's lands. The bill set a deadline of August 31, 2009. The legislation set forth compact provisions substantially in the form of a model compact. The model compact included much of the substance of the 2007 voided compact, but significantly modified the voided compact's terms relating to revenue sharing, regulation, types of authorized gaming, exclusivity, tort liability and included additional requirements related to the remission of taxes along with other substantive and organizational changes.

On August 31, 2009, Governor Crist signed a new gaming compact with the Seminole Tribe. Although the 2009 proposed compact contains some of the same provisions included in both the 2007 voided compact and the model compact passed during the 2009 Extended Regular Session, there were many provisions that substantially deviated from the parameters established by the Legislature in the model compact, as well as some terms that were omitted entirely.

Terms that were not addressed or were omitted entirely included provisions relating to the collection and remission of state taxes, provisions requiring the Tribe to utilize medical professionals that are licensed by the State, and provisions requiring the Tribe to use its best efforts to acquire goods and services from Florida-based vendors, professionals, and material and service providers.

The section on Proposed Changes below describes the significant differences between the major provisions of the model compact enacted by the Legislature during the last Extended Regular Session and the 2010 proposed compact.

PROPOSED CHANGES

Compact Introductory Recitals

The model compact empowered the Governor to enter into a new compact substantially in the form of a model compact. In the recitals, the model compact recognized that the Tribe has properly requested a compact pursuant to the IGRA and that it is in the best interest of the State to enter into a compact with the Seminole Tribe. The compact expressly sets forth that the 2007 compact is void.

The 2010 proposed compact contains many of the same provisions; however, the main difference is there is no reference to the 2007 compact. The recitals state that the 2010 compact is the only gaming compact between the Tribe and the State and that it is in best interests of both the Tribe and the State.

Location of Gaming Facilities

The model compact listed the seven Tribal gaming facilities where gaming can take place by name, including the municipality (where applicable) and the county of location mailing and street address. The law allowed the expansion or replacement of facilities on the same reservation with 60 days advance notice, subject to the number of facilities and the number of reservations upon which Class III gaming is authorized remaining the same.

The 2010 proposed compact lists the seven Tribal gaming facilities located on Indian Lands where gaming can take place by county, but the language is substantially the same in its effect.

[29] Dates and locations furnished to staff by the Seminole Tribe of Florida

Covered Games
The model compact granted the Tribe the rights to offer class III slots at their facilities in Broward and the exclusive rights to offer Class III slots outside Broward and Miami-Dade. The Tribe would have also been granted the exclusive right to offer banked card games at tribal gaming facilities in Broward and Hillsborough Counties. Changes to the law governing slot machines and the use of electronic payment systems utilizing credit or debit card payments would have automatically applied to the Tribe. Additionally, the Tribe was granted the right to offer no-limit poker.

The proposed compact grants the Tribe the rights to offer class III slots at their facilities in Broward and the exclusive rights to offer Class III slots outside Broward and Miami-Dade. The Tribe would also have exclusive right to offer banked card games at five of its seven tribal facilities, including its three facilities in Broward County, its facility in Collier County, and its facility in Hillsborough County. The tribe would receive the right to offer banked card games at its remaining facilities if the State authorizes banked card games for any person for any purpose, except for another federally-recognized tribe that has land in federal trust as of February 1, 2010. Additionally, the Tribe is granted the right to offer raffles and drawings and any new game authorized by Florida law for any person for any purpose, except for banked card games authorized for any federally-recognized tribe, provided the tribe has land in federal trust as of February 1, 2010.

Definition of Net Win
The model compact defined "net win" as the difference between gaming wins and losses, before deducting costs and expenses.

The proposed compact defines "net win" as the total receipts from the play of all covered games less all prize payouts, including free play or promotional credits issued by the Tribe.

Term of the Compact
The model compact was for a term of 15 years; however the compact had a provision that provided for legislative review after 5 years.

The 2010 proposed compact grants the Tribe the right to operate slot machines for 20 years. It also grants Tribe the right to operate banked card games at its facilities in Broward, Collier and Hillsborough Counties for the first 5 years of the compact. If the Legislature does not renew the compact by affirmative act at the end of 5 years, the Tribe is required to cease operating card games within 90 days. If the Tribe does not cease operations, the State is entitled to seek immediate injunctive relief in court.

Tribal Payments
The model compact guaranteed minimum payments of $150M per year for the term of the compact. Unless the guaranteed minimum was greater, the State's revenue share was calculated by applying a graduated rate to the Tribe's "net win" as follows:

1) 12% of amounts up to $2.5B;
2) 15% of the amount between $2.5B and $3B;
3) 20% of the amount between $3B and $4B;
4) 22.5% of the amount between $4B and $4.5B;
5) 25% of the amounts over $4.5B.

The model compact provided that state revenue share payments are to be deposited into the Educational Enhancement Trust Fund, which currently receives deposits from State Lottery sales and the tax revenue from pari-mutuel slot machine gaming. An additional revenue share amount equal to 3% of the state revenue share payments was to be paid to offset the impacts to local governments. The model compact also provided that the State shall be reimbursed for the cost of regulation. Additionally, the model compact required the Tribe to contribute $250,000 per facility per year to the Florida Council on Compulsive Gambling.

Finally, the model compact provided that monies paid by the Tribe prior to a compact going into effect were forfeited by the Tribe and released to the state without further obligation or encumbrance.

The 2010 proposed compact guarantees minimum payments totaling $1 billion over the first five years of the compact. For the first two years of revenue sharing, the Tribe agrees to pay $12.5M per month, or $150 million per year. In years 3 and 4, the Tribe agrees to pay $233 million per year. In year 5, the Tribe agrees to pay $234 million. After the first two years and unless the guaranteed minimum is greater, the State's revenue share is calculated by applying a graduated rate to the Tribe's net win as follows.

1. 12% of net win up to $2.0B;
2. 15% of the net win from $2.0B up to and including $3.0B;
3. 17.5% of the net win from $3.0B up to and including $3.5B;
4. 20% of the net win from $3.5B up to and including $4.0B;
5. 22.5% of the net win from $4.0B up to and including $4.5B
5. 25% of the net win over $4.5B.

The 2010 proposed compact does not designate where revenue sharing is to be deposited but does designate that 3% of the state revenue share payments are to be paid as provided for by the Legislature to offset the impacts to local governments.

The 2010 proposed compact also provides that the State shall be reimbursed for the cost of regulation in an amount not to exceed $250,000. Additionally, the proposed compact requires the Tribe to contribute $250,000 per facility per year to the Florida Council on Compulsive Gambling.

Finally, the 2010 proposed compact provides that monies paid by the Tribe prior to a compact going into effect released by the Tribe without further obligation or encumbrance. The proposed compact also provides that the Tribe will continue to make payments to the State for the period prior to the compact going into effect so long as the Tribe is operating class III gaming.

Exclusivity & Reduction of Revenue Sharing

Under the model compact, the Tribe would have lost its right of exclusivity and revenue sharing reduction provisions would be triggered if the State authorized any additional class III gaming in the State. In such circumstances, the Tribe's revenue share payments would only be reduced if the Tribe's net win fell below $1.37B annually. The amount of the reduction would be calculated based on the proportion of net win below $1.37B. However, the model compact also provided exceptions that would not violate the Tribe's right of exclusivity. Those exceptions include:

1. class III gaming authorized under other tribal gaming compacts with federally-recognized tribes;
2. the conduct of illegal or unauthorized gaming;
3. any class III slots authorized in Miami-Dade and Broward; and
4. the authorization of video bingo machines or other class II electronic gaming machines, historic racing or PMW activity.

Under the model compact, an expansion in gaming would only occur if the change were made by legislative act or constitutional amendment.

Under the 2010 proposed compact, the Tribe would lose its right of exclusivity and revenue sharing would cease if Florida law is amended or interpreted to authorize Class III gaming or other casino style games not in operation on February 1, 2010. Other casino style games" is defined to include slot machines, electronically-assisted bingo or electronically-assisted pull tab games, table games, and VLTs or similar games.

Like the model compact, the 2010 proposed compact further provides exceptions that would not violate the Tribe's right of exclusivity. These exceptions include:

Exception 1: The complete discontinuance of revenue sharing would not apply if the authorization of such games occurs pursuant to a compact with any other federally-recognized tribe, provided that the tribe has land in federal trust in the State as of February 1, 2010.

Exception 2: The complete discontinuance of revenue sharing would not apply based on the operation of slot machines at each of the 4 presently operating licensed pari-mutuel facilities in Broward County and the 4 presently operating licensed pari-mutuel facilities in Miami-Dade County, provided that such licenses are not transferred or otherwise used to move or operate such slot machines at any other location. The locations are Dania Jai Alai; Gulfstream Park Racing and Casino (thoroughbred racing); The Isle Casino and Racing at Pompano Park (harness racing); Mardi Gras Race Track and Gaming Center (greyhound racing); Calder Race Course (thoroughbred racing); Miami Jai-Alai; Flagler Greyhound Track (Magic City Casino); and Hialeah Park (quarter horse).

Exception 3: The complete discontinuance of revenue sharing would not apply if Florida law is amended to allow additional types of Class III or other casino style games at the eight presently operating licensed pari-mutuel facilities in Broward and Miami-Dade Counties; however, the Tribe will be entitled to a reduction in the amount of 50% of the decline in revenues from the Broward facilities, comparing the year before the new gaming began with the year after the new gaming began. While the Tribe would be released from making the guaranteed minimum payments; however, they would still be obligated to make payments based on the percentage revenue sharing schedule. The reduction would not apply if the decline is due to acts of God, war, terrorism, fires, floods or accidents causing damage to or destruction of one or more of the Tribe facilities.

Exception 4: The complete discontinuance of revenue sharing would not apply if Florida law is amended to allow Class III or other casino style games at a location other than the eight presently operating licensed pari-mutuel facilities in Broward and Miami-Dade Counties; however, the revenue share derived from the Broward facilities would be ceased if that were to occur. The Tribe would also be released from making the guaranteed minimum payments; however, they would still be obligated to make payments based on the percentage revenue sharing schedule and the net win generated from the Tribe's facilities outside of Broward.

Exception 5: The complete discontinuance of revenue sharing would not apply if Florida law is amended to allow the operation of a combined total of not more than 350 restricted Historic Racing Machines and restricted Electronic Bingo Machines at each pari-mutuel facility licensed as of February 1, 2010, except for pari-mutuel facilities in Broward County or Miami-Dade County.

Exception 6: The complete discontinuance of revenue sharing would not apply based on operation of Pari-Mutuel Wagering Activities at pari-mutuel facilities licensed by the State of Florida.

Exception 7: The complete discontinuance of revenue sharing would not apply based on operation of poker, including no-limit poker, at card rooms licensed by the State of Florida.

Exception 8: The complete discontinuance of revenue sharing would not apply based on operation by the Florida Department of Lottery of those types of lottery games authorized by law on February 1, 2010, but not including (i) any player-activated or operated machine or device other than a Lottery Vending Machine or (ii) any banked or banking card or table game. There is a cap of 10 Lottery Vending Machines which may be installed at any facility; however, no Lottery Vending Machine that dispenses electronic instant tickets may be installed at any licensed pari-mutuel facility. A Lottery vending machine includes electronic machines that dispense paper instant tickets, electronic machines that dispense electronic instant tickets, and machines that dispense paper tickets with numbers selected randomly by the player where winning numbers are selected through a subsequent drawing conducted by the Florida Lottery -

Exception 9: The complete discontinuance of revenue sharing would not apply based on the operation of games authorized by chapter 849, Florida Statutes, on February 1, 2010, which would include bingo, penny ante poker, dominoes, etc. Additionally, if federal law or Florida law is amended to affirmatively permit internet or on-line poker and the Tribe's net win drops more than 5% from its net win for the

previous 12 months, the Tribe would no longer be subject to the guaranteed minimum payment; however, the Tribe would still be subject to the percentage revenue sharing schedule.

Under the 2010 proposed compact, if the discontinuance of revenue share provisions is triggered by legislative act or constitutional amendment, i.e. new gaming is authorized, then revenue sharing will cease when the newly authorized gaming begins. If the discontinuance of revenue share provisions are triggered by judicial ruling or administrative act and the new gaming begins, the Tribe will continue to make payments into an escrow account. The legislature will have 12 months to act to remedy the breach of exclusivity. The gaming is stopped or the legislature makes the activity illegal, the monies will be released to the State. If the legislature fails to act or the gaming continues beyond 12 months, then the monies will be released to the Tribe.

Finally, if the State authorizes internet gaming, and the Tribe's net win declines more than 5%, then the Tribe is relieved from the guaranteed minimum revenue sharing cycle payment. This would not apply if the Tribe itself engages in internet gaming or if the decline is due to acts of God, war, terrorism, fires, floods or accidents causing damage to or destruction of one or more of the Tribe facilities.

State Oversight and Independent Audits

The model compact provided the state compliance agency shall be the Division of Pari-Mutuel Wagering at the Department of Business and Professional Regulation. The Division would have been able to conduct unlimited inspections. No advance notice was required for inspecting the public areas of a facility, but at least one-hour notice to the Seminole Tribe Gaming Commission was required when the inspection will include non-public areas of the facility. Furthermore, the State could secure an independent audit of covered game revenues, which included only matters necessary to verify net win and the basis of, and right to, the payments. Additionally, the Tribe would have to have maintained a central computerized reporting and auditing system for all gaming machines that permits the State read-only access.

Under the 2010 proposed compact, the regulatory responsibility belongs to the Tribe; however, the State is given an oversight role to ensure compliance with the Compact's terms. The Tribe is responsible for ensuring that facilities and covered games are operated in compliance with the Seminole Tribal Gaming Code, the rules, regulations, procedures, specifications and standards adopted by the National Indian Gaming Commission, and the Compact. The 2010 proposed compact provides the state compliance agency shall be designated by the legislature. The State may conduct a random inspection each month that shall not last for more than 2 days or 10 hours, except when substantial noncompliance is discovered and additional time is deemed necessary by the State Compliance Agency. There is an annual cap of 1200 on-site hours for all random inspections and audits across all facilities. Although the Department may have access to the public areas without notice, the Department must notify the Seminole Tribe Gaming Commission at the commencement of an inspection, and at least one-hour notice is required when the inspection will include non-public areas of the facility. Additionally, the State may secure an annual independent audit of the operation of covered games and the revenues connected with covered games. There is also a cap of $250,000 on the annual oversight assessment.

Patron Disputes and Waiver of Immunity in Tort

The model compact provided that all patron disputes related to gaming will be resolved in accordance with the Seminole Tribal Gaming Code. A patron who was injured in a facility where covered games are conducted would have had to provide written notice to the Tribe; however, a patron would not have been required to exhaust tribal remedies before seeking relief in any court of competent jurisdiction. Venue is designated as the county where the incident arises. Claims would have been subject to a 4-year statute of limitations for tort claims.

Under the model compact, the Tribe would have had to waive sovereign immunity for tort claims up to a $500,000 per person and $1 million per incident. The Tribe would have had to maintain a commercial general liability policy of no less than $1,000,000 per occurrence and $10,000,000 in the aggregate, for bodily injury, personal injury and property damage arising out of, connected with, or relating to the operation of facilities where covered games are offered.

Under the 2010 proposed compact, all patron disputes related to covered games will be handled pursuant to tribal policies in the Seminole Tribal Gaming Code. Workers' Compensation claims are handled in accordance with the Tribe's Worker's Compensation Ordinance.

A patron who is injured in an area where covered games are played must provide written notice to the Tribe of the claim. The Tribe has 30 days to respond and begin to resolve the claim. If the Tribe does not respond, the patron may seek relief in any court of competent jurisdiction. If the Tribe does respond, they have a year to resolve the claim. After one year the patron may seek relief in any court of competent jurisdiction. Patron tort claims are subject to a 4-year statute of limitations, but the patron must give notice to the Tribe within 3 years of the incident or the claim is barred.

In the 2010 proposed compact, the Tribe waives its sovereign immunity for tort claims in the same levels waived by the State: up to a $100,000 per person and $200,000 per occurrence. The Tribe must maintain insurance coverage sufficient to pay covered claims made by patrons up to the immunity waiver limits. Patron claims against the Tribe or its subordinate governmental or economic units or agents must be made solely against the Tribe as the only party in interest.

State / Tribal Dispute Resolution

The model compact provided that, if either party believed the other has breached the terms of the compact or a dispute otherwise arises, the party asserting noncompliance or seeking an interpretation must notify the other party in writing. The State and the Tribe would have had to meet within 30 days of such notice to attempt to resolve any dispute. If the matter was not resolved, the parties must seek resolution through mediation; however, the duration of the mediation was limited to no more than 60 calendar days, unless the parties negotiates an extension. If there was no resolution after mediation, the State could have sought relief in any court of competent jurisdiction. If there was no resolution after mediation and the State has not sought relief in a court of competent jurisdiction, either party may invoke non-binding arbitration as a means to seeking resolution.

The Tribe would have had to waive its sovereign immunity from suit for claims arising under the compact, but the waiver would not have extended to any third party who was joined or intervened. In instances where the Tribe had failed to make the required revenue share payments or was offering unauthorized Class III games, the state would have been entitled to seek immediate relief in court.

The 2010 proposed compact provides that, if either party believes the other has breached the terms of the compact or a dispute otherwise arises, the party asserting noncompliance or seeking an interpretation shall notify the other party in writing. The State and the Tribe shall meet within 30 days of such notice to attempt to resolve any dispute. If the matter is not resolved, the parties must seek resolution through mediation; however, the duration of the mediation is limited to no more than 60 calendar days, unless the parties negotiate an extension. If there is no resolution after mediation, the parties may seek relief in federal court. If the federal court declines to exercise jurisdiction or if precedent exists that denies a federal court jurisdiction over the matter, the parties may seek relief in state circuit court in Broward County.[30]

The Tribe waives its sovereign immunity from suit under the compact, but the waiver does not extend to any third party who is joined or intervenes. If a third party's participation would result in the waiver of sovereign immunity as to that third party, the Tribe may revoke its waiver of sovereign immunity entirely.

Amendment of the Compact or Tribal Rules & Regulations

[30] The State of Florida has a "home venue privilege." The home venue privilege provides that, absent waiver or exception, venue in a suit against the State, or an agency or subdivision of the State, is proper only in the county in which the State, or the agency or subdivision of the State, maintains its principal headquarters. See generally *Florida Department of Children and Families v. Sun-Sentinel, Inc.*, 865 So.2d 1278 (Fla. 2004); *Fla. Pub. Serv. Comm'n v. Triple "A" Enters., Inc.,* 387 So.2d 940 (Fla.1980); and *Carlile v. Game & Fresh Water Fish Com'n,* 354 So.2d 362, 363-64 (Fla.1977). In such circumstances, the home venue privilege would appear to be waived.

The model compact provided that any amendment of the compact must be by "written agreement of the parties" subject to approval of the Secretary of the Interior; furthermore any amendment that was not consistent with the terms and standards set forth in the statute or that alters the provisions relating to the covered games, the revenue payments, the suspension or reduction of revenue payments, or the exclusivity of gaming operations must have been ratified by the Florida Legislature.

The 2010 proposed compact states that any amendment of the compact must be by "written agreement of the parties" subject to approval of the Secretary of the Interior; furthermore any amendment that alters the provisions relating to the covered games, the amount of revenue payments, the suspension or reduction of revenue payments, or the exclusivity of gaming operations must be ratified by the Florida Legislature.

Severability

The model compact had a non-severability clause, which provided that if any provision relating to the covered games, the revenue payments, the suspension or reduction of revenue payments, or the exclusivity of gaming operations was held by a court of competent jurisdiction to be invalid, the compact would be null and void.

The proposed compact contains a severability clause, which provides that each provision of the compact stands separate and independent of every other provision. In the event that a federal district court in Florida or other court of competent jurisdiction shall find any provision of the compact invalid, the remaining provisions of the compact remain in full force and effect, provided that severing the invalidated provision does not undermine the overall intent of the parties. There is an exception if any provision relating to the covered games, the revenue payments, the suspension or reduction of revenue payments, or the exclusivity of gaming operations is held by a court of competent jurisdiction to be invalid, the compact is null and void.

Miscellaneous

Under the 2010 proposed compact, the Tribe must have a minimum payout of 85% per facility for slot machines. The Tribe must also provide non-smoking gaming areas at all facilities within 5 years. The Tribe must also maintain its programs related to prevent problem gaming, drinking driving and underage drinking.

The Pari-mutuel Provisions

During an extension of the 2009 Regular Session, the Legislature enacted CS/CS/SB 788 (Ch. 2009-170, Laws of Florida), which authorized the Governor to negotiate a model gaming compact with the Seminole Tribe of Florida. In addition to compact provisions, the bill also contained pari-mutuel provisions intended to enhance the ability of pari-mutuel permitholders to compete in the gaming market. The legislation contained a contingent effective date; that is, the pari-mutuel provisions were linked with the compact provisions so that they would go into effect only if three pre-conditions were met: 1) the Governor and an authorized representative of the Tribe executed a compact pursuant to the Indian Gaming Regulatory Act of 1988 and the requirements contained in the legislation; 2) the compact was thereafter ratified by the Legislature; and, 3) the compact was then approved or deemed approved by the Department of the Interior. Once those three pre-conditions were met, the pari-mutuel provisions were slated to take effect on the date that the legislatively-ratified and federally-approved compact was published in the Federal Register.

The pari-mutuel provisions which are the subject of this bill are already law. They became law on June 15, 2009 when the Governor signed CS/CS/SB 788; however, they have not yet taken effect, because certain contingent events to which they are tied have not occurred yet. This bill amends the effective date section of Chapter 2009-170 of the Laws of Florida (CS/CS/SB 788) to delete the three pre-conditions that would have to occur in order for the pari-mutuel provisions in the legislation to take effect and, instead, makes them effective upon becoming law. In essence, the pari-mutuel provisions would no longer be tied to the compact and contingent upon its legislative ratification or approval at the federal level.

The pari-mutuel provisions that would take effect July 1, 2010 by virtue of this bill affect the 28 licensed pari-mutuel facilities located throughout 19 counties of the state, including 16 greyhound racing tracks, 3 thoroughbred racing tracks, 1 harness racing track, 6 jai alai frontons, 1 facility permitted to conduct limited intertrack wagering (Ocala Breeders Sales), and 1 quarter horse track (Hialeah Park).[31] Twenty-two of the pari-mutuel facilities have cardrooms and four facilities have slot machine gaming. For pari-mutuel activities, the State maintains a permit-license structure. At this time, there are 11 quarter horse permitholders, only one of whom has recently been licensed to race quarter horses (Hialeah Park, 2009). The major pari-mutuel provisions contained in Chapter 2009-170 of the Laws of Florida enacted in the 2009 Extended Regular Session that this bill would make effective on July 1, 2010 include:

- Reducing the tax rate on slot machine revenue from 50% to 35% but requiring the payment of tax revenue in an amount no less than the amount collected in FY 2008-2009;
- Gradually reducing the slot machine annual license fee from $3 million to $2 million;
- Allowing for slot machines to be linked using a progressive system;
- Providing that the payout percentage of a slot machine facility shall be no less than 85%;
- Authorizing Class III slot machines in a county that has had a referendum approving slots or has a referendum approving slots that was approved by law or the Constitution provided that such facility has conducted 2 years of racing and complies with other requirements for slot licensure;
- Providing that an initial cardroom license shall not be issued unless the permitholder has a facility and has begun racing;
- Allowing for the conduct of no limit poker in cardrooms;
- Extending the hours of cardroom operation from 12 hours per day to 18 hours per day Monday through Friday and 24 hours per day Saturday and Sunday.
- Gradually increasing the number of performances that comprise a full schedule of live racing for quarter horses;
- Allowing quarter horse permitholders to run thoroughbred races up to 50% of the time;
- Authorizing a quarter horse permit to convert to a limited thoroughbred permit;
- Restricting quarter horse permit holders to a 35-mile lease restriction;
- Authorizing a jai alai permit to convert to a greyhound permit if certain requirements are satisfied;
- Streamlining regulatory procedures for the pari-mutuel industry by:
  - changing the term “year” to fiscal year instead of calendar year;
  - requiring monthly payment of taxes instead of weekly payments beginning on July 1, 2012;
  - providing a consistent definition of the term “conviction” for purposes of licensure;
  - providing flexibility for occupational license renewal and fees;
  - providing enhanced fingerprint regulations;
  - expanding the current cruelty to animal prohibitions; and,
  - providing for greater flexibility in the payment of breeders’ and stallion awards.

Other Changes

In addition to ratifying the 2010 proposed compact and amending the effective date of Chapter 2009-170, Laws of Florida, the bill also provides a distribution schedule for local government revenue sharing for the local governments who are impacted by the Tribe’s operations. Under that revenue sharing schedule, the following distribution is proposed:

1. Glades County shall receive 100% of the proportionate revenue share from the Seminole Indian Casino at Brighton;
2. Broward County shall receive 7.5%, the City of Coconut Creek shall receive 65%, the City of Coral Springs shall receive 15%, the City of Margate shall receive 10%, and the City of Parkland shall receive 2.5% of the proportionate revenue share from the Seminole Indian Casino at Coconut Creek;
3. Broward County shall receive 15%, the City of Hollywood shall receive 65%, the Town of Davie shall receive 10%, and the City of Dania Beach shall receive 10% of the proportionate revenue share from the Seminole Indian Casino at Hollywood;

[31] See Division of Pari-mutuel Wagering licensed facilities’ site map online at http://www.myfloridalicense.com/dbpr/pmw/documents/FACILITIESMAP.pdf : last visited 1/5/10

4. Collier County shall receive 100% of the proportionate revenue share from the Seminole Indian Casino at Immokalee;
5. Hendry County shall receive 100% of the proportionate revenue share from the Seminole Indian Casino at Big Cypress.
6. Broward County shall receive 15%, the City of Hollywood shall receive 65%, the Town of Davie shall receive 10%, and the city of Dania Beach shall receive 10% of the proportionate revenue share from The Seminole Hard Rock Hotel & Casino at Hollywood; and
7. Hillsborough County shall receive 100% of the proportionate revenue share from the Seminole Hard Rock Hotel & Casino at Tampa.

Additionally, the bill revises the Governor's authority with respect to negotiating and entering into gaming compacts with Tribes and requires legislative ratification of such proposals. The bill also repeals the model compact which differs substantially from the 2010 proposed compact.

B. SECTION DIRECTORY:

Section 1. amends s. 285.710, Fla. Stat., provides definitions; provides specified agreements executed by the Seminole Tribe of Florida and the Governor are void and not in effect; ratifies and approves a specified compact executed by the Tribe and the Governor; directs the Governor to cooperate with the Tribe in seeking approval of the compact from the United States Secretary of the Interior; revises powers and duties of the Governor regarding a compact and amendments to a compact between the Tribe and the state; revises a provision that specifies that the compact is invalid if certain provisions are held invalid by a court or the United States Department of the Interior; revises a provision for the effect on the compact of certain changes to the Indian Gaming Regulatory Act; removes a provision directing the Governor to ensure certain funds received are deposited in a specified fund; removes a provision for expiration of certain authority granted to the Governor; removes a provision that expresses legislative intent; revises duties of the Governor to execute an agreement for application of certain state taxes on Indian lands; provides for distribution of certain moneys paid to the state; provides for the calculation and distribution of a local government share of such moneys; revises provisions for moneys remitted by the Tribe to the state before the effective date of the compact; provides for deposit of the moneys into the General Revenue Fund; revises provisions that authorize certain gaming activity.

Section 2. repeals 285.711, Fla. Stat.

Section 3. creates s. 285.712, Fla. Stat., that states the Governor is the designated state officer responsible for negotiating and executing, on behalf of the state, tribal-state gaming compacts with certain Indian tribes; requires any such compact to be conditioned on ratification by the Legislature; and provides procedures for ratification of a compact and submission to the United States Secretary of the Interior for review and approval

Section 4. amends section 26 of Chapter 2009-170, Laws of Florida, to delete the requirement that certain contingencies related to the Seminole tribal gaming compact must occur before the pari-mutuel provisions contained in Sections 4 through 25 of the same law can become effective.

Section 5. provides sections 4 through 25 of Chapter 2009-170, Laws of Florida, shall be effective upon this legislation becoming law.

Section 6. provides the bill is effective upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill has not been estimated by the Revenue Estimating Conference. See Fiscal Comments.

2. Expenditures:

   See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   The bill would have a positive fiscal impact on those local governments participating in revenue sharing.

2. Expenditures:

   This bill would not require local governments to spend money.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill ratifies a gaming compact with the Seminole Tribe of Florida that would permit the Tribe to conduct Class III slot games and banked card games at seven tribal locations. Slot machines are one of the more lucrative forms of gaming and generate a majority of the revenues for casinos that offer such games. As such, it would appear the authorization of a compact that provides the Tribe with the ability to conduct Class III slots machines while granting a partial geographic monopoly for exclusivity of such games does provide a valuable economic benefit to the Seminole Tribe along with the added economic benefit of being the only the only purveyors of banked card games in Florida.

The pari-mutuel provisions taking effect upon becoming law: By virtue of the change this bill makes to the effective date of Chapter 2009-170, there will be additional gaming opportunities that could generate additional revenue for pari-mutuel facilities. According to testimony before the Select Committee on Seminole Indian Gaming Compact Review, lowering the tax rate on pari-mutuel slot machine gaming revenues, eliminating poker betting limits, and expanding cardroom operating hours at pari-mutuel facilities will have a beneficial impact on the pari-mutuel industry and increase its ability to be competitive.

D. FISCAL COMMENTS:

The provisions of the bill have not been estimated by the Revenue Estimating Conference; however, the bill will provide a guaranteed $1 billion over the first 5 years of the compact. Additionally, the bill provides that the monies paid by the tribe prior to the compact going into effect shall be released without further obligation or encumbrance. As of the close of March, the Tribe had paid $250 million that is held as unallocated general revenue.

The provisions of HB 7001 have been estimated using July 1, 2010 as the effective date. The PCB changes the effective date for the pari-mutuel provisions of CS/CS/ SB 788 to be effective upon becoming law.

Tax Source	2010-11 (Millions)					
and	General Revenue		State Trust		Total	
Issue	Cash	Recurr	Cash	Recurr	Cash	Recurr
Pari-mutuel tax - Cardrooms additional hours	1.5	1.5	0.0	0.0	1.5	1.5
Pari-mutuel tax - Cardrooms increasing betting limits	1.3	1.3	0.0	0.0	1.3	1.3
Pari-mutuel tax - Jai-alai permitholder conversion to greyhound permitholder	0.0	0.6	0.0	0.0	0.0	0.6
Pari-mutuel tax - Payment frequency from weekly to monthly beginning 7/1/2012	0.0	0.0	0.0	0.0	0.0	0.0
Pari-mutuel tax - Quarter horse permit, substitute 50% of races for thoroughbred, includes Hialeah	0.3	0.3	0.0	0.0	0.3	0.3
Pari-mutuel Tax – Conversion of quarter horse permit to a limited not-for-profit thoroughbred permit	0.0	0.3	0.0	0.0	0.0	0.3
Slot Machines License - $3.0 million initial and annual to $2.5 then $2.0 initial and annual	(3.0)	(6.0)	0.0	0.0	(3.0)	(6.0)
Slot Machines License - Slots operating at Hialeah Park	0.0	2.0	0.0	0.0	0.0	2.0
Slot Machines Tax - Payment frequency from weekly to monthly beginning 7/1/2012	0.0	0.0	0.0	0.0	0.0	0.0
Slot Machines Tax - Reduction in tax rate to 35% with floor equal to 2008-09 collections	0.0	0.0	(25.0)	0.0	(25.0)	0.0
Slot Machines Tax - Slots operating at Hialeah Park	0.0	0.0	0.0	**	0.0	**
TOTALS	.1	0.0	(25)	0	(24.9)	0.0

** Indeterminate

Table #2: Fiscal Year 2010-11

Tax Source	2011-12 (Millions)					
and	General Revenue		State Trust		Total	
Issue	Cash	Recurr	Cash	Recurr	Cash	Recurr
Pari-mutuel tax - Cardrooms additional hours	1.5	1.5	0.0	0.0	1.5	1.5
Pari-mutuel tax - Cardrooms increasing betting limits	1.3	1.3	0.0	0.0	1.3	1.3
Pari-mutuel tax - Jai-alai permitholder conversion to greyhound permitholder	Insig.	Insig.	0.0	0.0	Insig.	Insig.
Pari-mutuel tax - Payment frequency from weekly to monthly beginning 7/1/2012	0.0	0.0	0.0	0.0	0.0	0.0
Pari-mutuel tax - Quarter horse permit, substitute 50% of races for thoroughbred, includes Hialeah	0.3	0.3	0.0	0.0	0.3	0.3
Pari-mutuel Tax – Conversion of quarter horse permit to a limited not-for-profit thoroughbred permit	0.1	0.3	0.0	0.0	0.1	0.3
Slot Machines License - $3.0 million initial and annual to $2.5 then $2.0 initial and annual	(6.0)	(6.0)	0.0	0.0	(6.0)	(6.0)
Slot Machines License - Slots operating at Hialeah Park	2.0	2.0	0.0	0.0	2.0	2.0
Slot Machines Tax - Payment frequency from weekly to monthly beginning 7/1/2012	0.0	0.0	0.0	0.0	0.0	0.0
Slot Machines Tax - Reduction in tax rate to 35% with floor equal to 2008-09 collections	0.0	0.0	(14.2)	0.0	(14.2)	0.0
Slot Machines Tax - Slots operating at Hialeah Park	0.0	0.0	9.1	17.9	9.1	17.9
TOTALS	(0.8)	(0.6)	(5.1)	17.9	(5.9)	17.3

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

2. Other:

There are provisions of Chapter 2009-170, Laws of Florida, that are made effective by the PCB that may be subject to constitutional challenge. Specifically, the provisions relating to converting a quarter horse permit to a limited thoroughbred permit, converting a jai alai permit to a greyhound racing permit and permitting additional facilities to offer slots machines in Miami-Dade may constitute an unconstitutional special law enacted in the guise of a general law.

B. RULE-MAKING AUTHORITY:

The Department of Business and Professional Regulation may need to adopt rules to fulfill their responsibilities under the bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES