



Business & Consumer Affairs Subcommittee

Action Packet

**Tuesday, February 22, 2011
9:00 AM - 12:00 PM
12 HOB**

COMMITTEE MEETING REPORT
Business & Consumer Affairs Subcommittee

2/22/2011 9:00:00AM

Location: 12 HOB

Summary: No Bills Considered

Committee meeting was reported out: Tuesday, February 22, 2011 2:38:53PM

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Attendance:

	<i>Present</i>	<i>Absent</i>	<i>Excused</i>
Esteban Bovo, Jr. (Chair)	X		
Joseph Abruzzo			X
Larry Ahern	X		
Frank Artiles	X		
Steve Crisafulli	X		
Eric Eisnaugle	X		
Tom Goodson	X		
Mia Jones	X		
Jeanette Nuñez	X		
Jimmy Patronis	X		
Kenneth Roberson	X		
Darryl Rouson	X		
Irving Slosberg	X		
Cynthia Stafford	X		
Dana Young	X		
Totals:	14	0	1

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Other Business Appearance:

Gaming in Florida

Steve Gallaway, Principal - Information Only
1448 Pennsylvania Street
Denver CO 80203
Phone: 303-759-5944

Gaming in Florida

Cynthia Anegelos, Partner (Lobbyist) (At Request Of Chair) - Information Only
Weiss Handler, Angelos and Cornwell
10521 SW Village Center Drive
Port St. Lucie FL 34987
Phone: 772-345-5297

Gaming in Florida

Edward Bowers, Vice President (At Request Of Chair) - Information Only
MGM Resorts International
2200 Scarlet Rose Drive
Las Vegas NV 89134
Phone: 702-891-3310

Gaming in Florida

Michael Britt, Vice President (At Request Of Chair) - Information Only
Wynn Resorts
3131 Las Vegas Boulevard South
Las Vegas NV
Phone: 702-770-7635

Gaming in Florida

Andrew Abboud, Vice President-Government Relations (At Request Of Chair) - Information Only
Las Vegas Sands Corp.
3355 S. Las Vegas Boulevard
Las Vegas NV 89109

Gaming in Florida

Melanie Bremner, President (At Request Of Chair) - Information Only
U. S. Online Gaming Association
1875 Eye Street, Suite 1200
Washington DC

Gaming in Florida

Dann Grevios, USO GA Board Member - Information Only
U.S. Online Gaming Association
1875 Eye Street, Suite 1200
Washington DC

Gaming in Florida

Jennifer Hobgood, Florida State Director (Lobbyist) (At Request Of Chair) - Information Only
Humane Society of the U. S.
1624 Metropolitan Circle, Suite B
Tallahassee FL 32308
Phone: 850-386-3435

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Gaming in Florida

Michael Soll, Vice President (At Request Of Chair) - Information Only

Innovation Group

174 W. Comstock Ave., Ste. 200

Winter Park FL 32789

Phone: 407-702-6648

Gaming in Florida

Michael F. Speller, President (At Request Of Chair) - Information Only

Genting New York

110-00 Rockaway Boulevard

Jamaica NY 11420

Phone: 646-588-1065

Gaming in Florida

Marc Dunbar (At Request Of Chair) - Information Only

Gulfstream Park

215 S. Monroe Street

Tallahassee FL 32301

Phone: 850-222-3533

Gaming in Florida

Donn Mitchell, Sr. Vice President (At Request Of Chair) - Information Only

South Florida Casinos

Isle Casino-Pompano Park

Pompano Beach FL

Phone: 314-306-0118

Gaming in Florida

Cyrus Sanai, General Counsel (At Request Of Chair) - Information Only

Cardroom International LLC

4500 Biscayne Boulevard

Miami FL 33137

Phone: 305-748-4300

Gaming in Florida

Melanie Brenner, President (At Request Of Chair) - Information Only

U.S. Online Gaming Association

1875 Eye Street, Suite 1200

Washington DC

Gaming in Florida

Gale Fontaine, President - Information Only

Florida Arcade & Bingo Association

1751 W. Copans Rd.

Pompano Beach FL 33064

Phone: 954-444-8645

Gaming in Florida

Les Bernal, Executive Director - Information Only

Stop Predatory Gambling

100 Maryland Ave., NE Room 310

Washington DC 20002

Phone: 202-567-6996

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Gaming in Florida

Joseph A. Cocchiarella, Asst. State Attorney-Prosecutor (State Employee) - Information Only
State Attorney, 9th Circuit, MBI Police Task Force
415 N. Orange Avenue
Orlando FL 32801
Phone: 407-836-9701

Gaming in Florida

Jack Peebles (Lobbyist) - Information Only
Hialeah Race Course
206 Park Avenue
Tallahassee FL
Phone: 305-799-5502

Gaming in Florida

David J. Roberts (Lobbyist) - Information Only
U.S. Online Gaming Association
P.O. Box 991
Tallahassee FL 32302
Phone: 850-443-4820

Gaming in Florida

Patricia Fowler, ED - Information Only
Florida Council on Compulsive Gambling
249 Springside Rd.
Longwood FL 32779
Phone: 407-862-1447

Gaming in Florida

Jack Cory (Lobbyist) - Information Only
Florida Greyhound Assoc.
110 E. College Ave.
Tallahassee FL
Phone: 850-893-0997

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**SOUTH FLORIDA
VOTER APPROVED
CASINOS**

SOUTH FLORIDA VOTER APPROVED CASINOS

Calder Race Course (Churchill Downs)

Brett Hale

Dania Jai Alai (Boyd Gaming)

Tom McPherson

Flagler Dog Track (Magic City Casino)

Izzy Havenick

Hollywood Dog Track (Mardi Gras Casino)

Danny Adkins

Isle – Pompano (Isle of Capri Casinos)

Donn Mitchell

Miami Jai Alai (Florida Gaming)

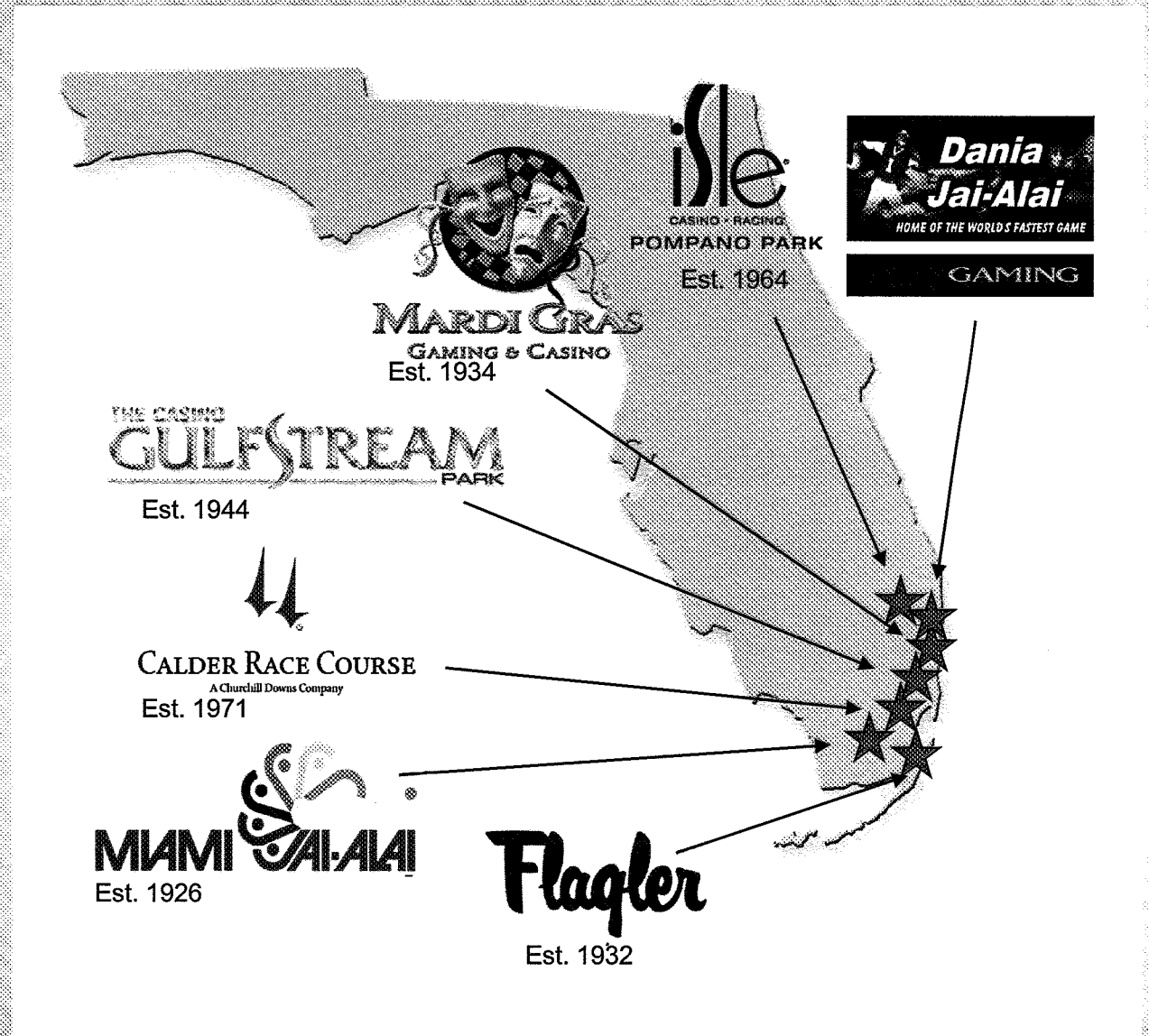
Benny Collette

SOUTH FLORIDA VOTER APPROVED CASINOS

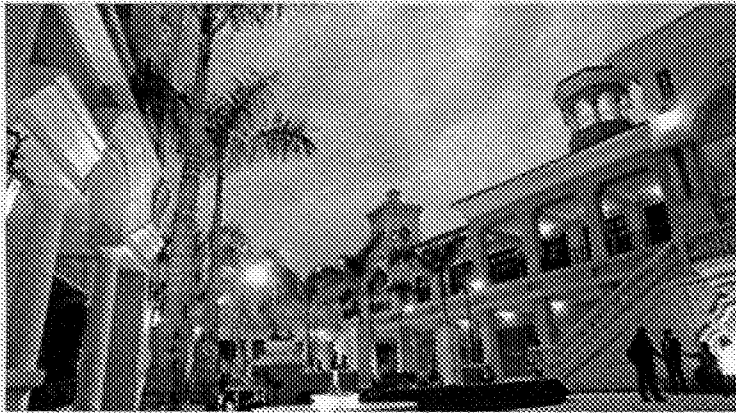
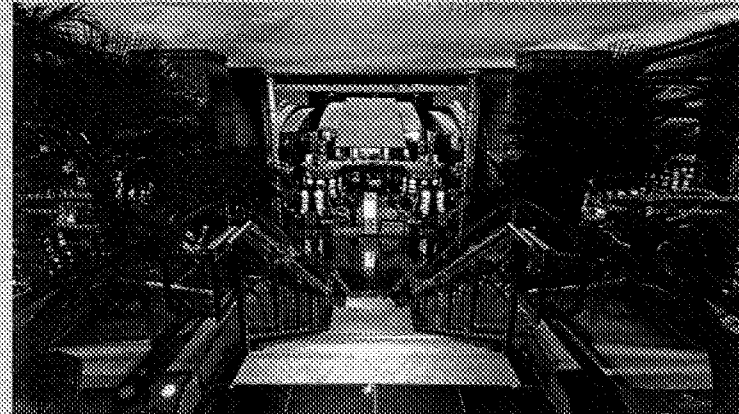
- ✓ **Miami Dade and Broward County pari-mutuels voter approved by state-wide and local referendums to operate class III slots**
- ✓ **Received overwhelming local support to operate class III slots**
- ✓ **Joint presentation to express our mutual interests and concerns over the proposed resort casino legislation**

LONG-TIME FLORIDA BASED BUSINESSES

- ✓ Investing in Florida
- ✓ Creating jobs
- ✓ Contributing to Florida's tax base
- ✓ For over 80 years, since 1926

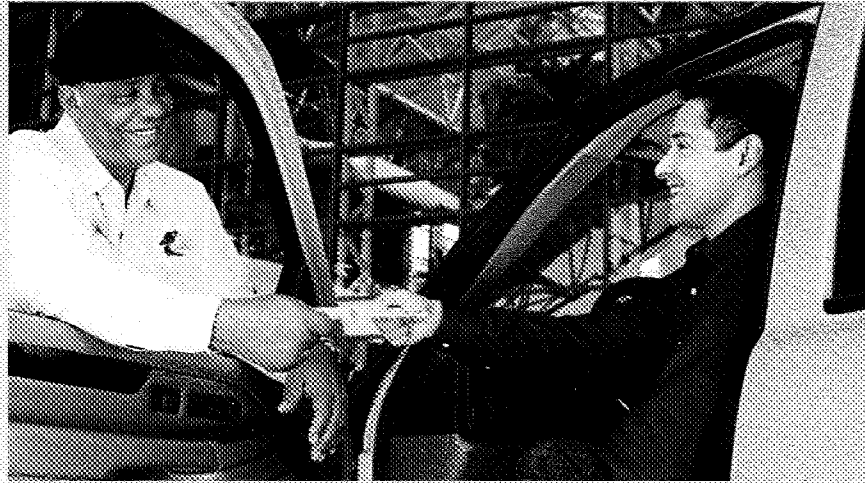


INVESTING IN FLORIDA



The South Florida Voter-Approved Casinos have invested over **\$1 Billion** in Florida to date.

JOBS FOR FLORIDIANS



4,000 Direct current full-time and part-time Florida jobs
(\$100+ million in total current annual payroll)*

2,000 Directly affiliated pari-mutuel Florida jobs*

9,000 Indirect Florida jobs (est. based on a conservative 1.5 multiplier)

15,000 Total Jobs related to South Florida pari-mutuels

*Approximate numbers and includes estimates for Gulfstream Park.

STATE AND LOCAL GAMING REVENUES PAID 2009 AND 2010

	<u>2009</u>	<u>2010</u>
GAMING TAXES PAID	\$108 MILLION	\$145 MILLION
SLOT LICENSURE FEES	\$ 13 MILLION	\$ 14 MILLION
CITY AND COUNTY	<u>\$ 7 MILLION</u>	<u>\$ 11 MILLION</u>
TOTALS	\$128 MILLION	\$170 MILLION

33% Year over year increase in gaming
and related taxes paid to Florida

Revenue from gaming operations paid and accrued over Calendar Years 2009 and 2010.

STATE AND LOCAL GAMING REVENUES PAID SINCE 2006

\$477 MILLION IN GAMING TAXES PAID TO THE STATE

\$ 36 MILLION IN SLOT LICENSURE FEES PAID TO THE STATE

\$ 29 MILLION IN CITY AND COUNTY LOCAL CONTRACTUAL GAMING
REVENUE SHARING

TOTAL: \$540 MILLION AND COUNTING

*Revenue from slot operations paid and accrued over Fiscal Years 2006-07, 2007-08,
2008-09, 2009-10 and through December of the fiscal year 2010-11.*

FLORIDA BENEFITS FROM CASINOS

- **Capital Investment**
- **Jobs**
- **Tax Revenues**
- **To maximize all the benefits from Gaming, Florida should take a comprehensive approach to overall Gaming industry structure (Casinos, Tribal, Pari-mutuels)**

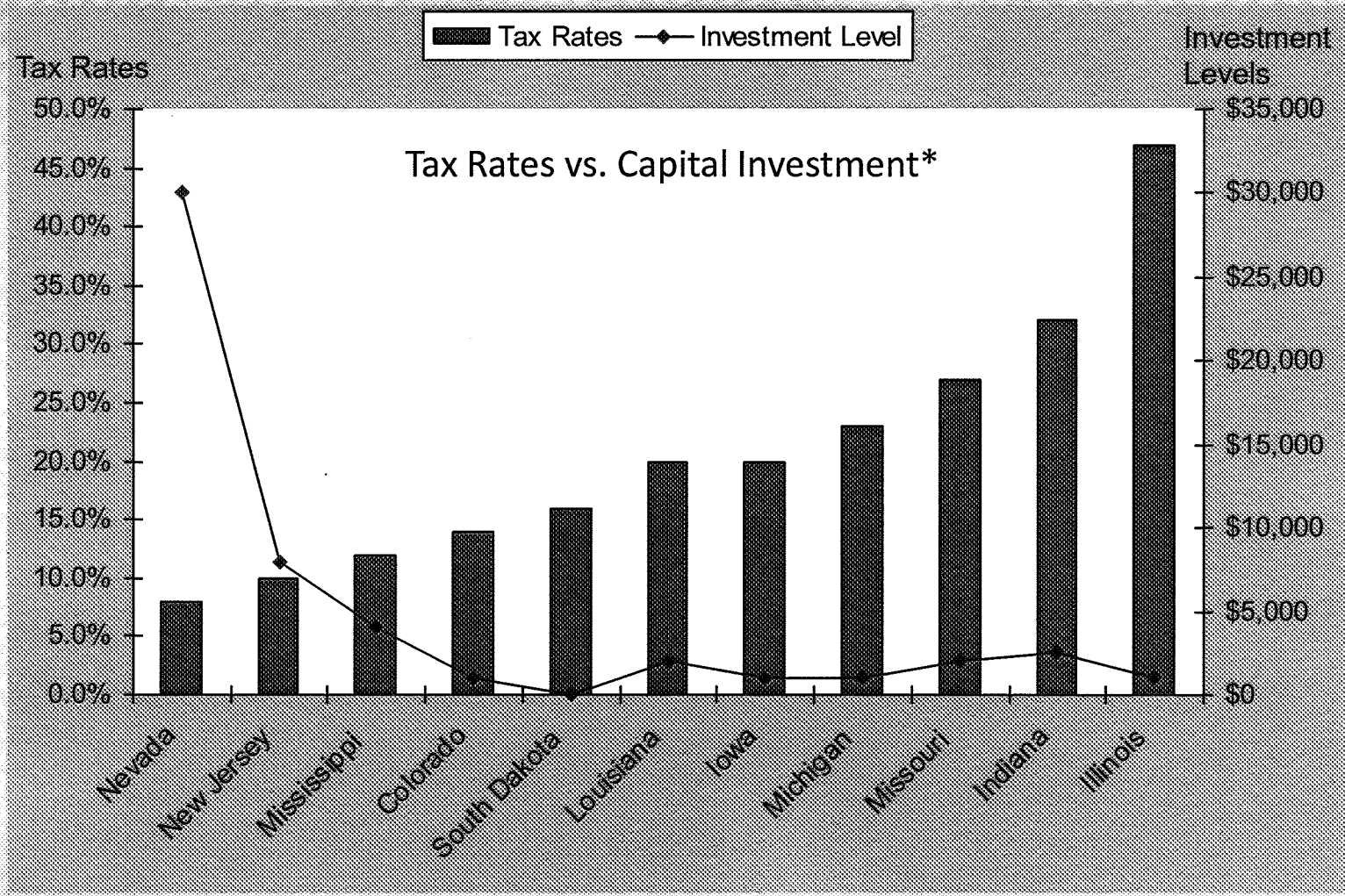
MAXIMIZE BENEFITS FROM GAMING

- **Create PARITY for all Florida Casinos**
- **Equal Gaming products**
- **Equal Tax Rates**
- **A fair and level competitive playing field will maximize the benefits from Gaming for Florida**

CONSIDER IMPACT OF GAMING TAX RATE TO MAXIMIZE BENEFITS FOR FLORIDA

- **Inverse relationship between gaming tax rate & capital investment**
 - **High tax rate = Low capital investment**
 - **Low tax rate = High capital investment**
- **Inverse relationship between gaming tax rate and jobs**
 - **Higher Tax Rate = Fewer Jobs**
 - **Lower Tax Rate = More jobs**

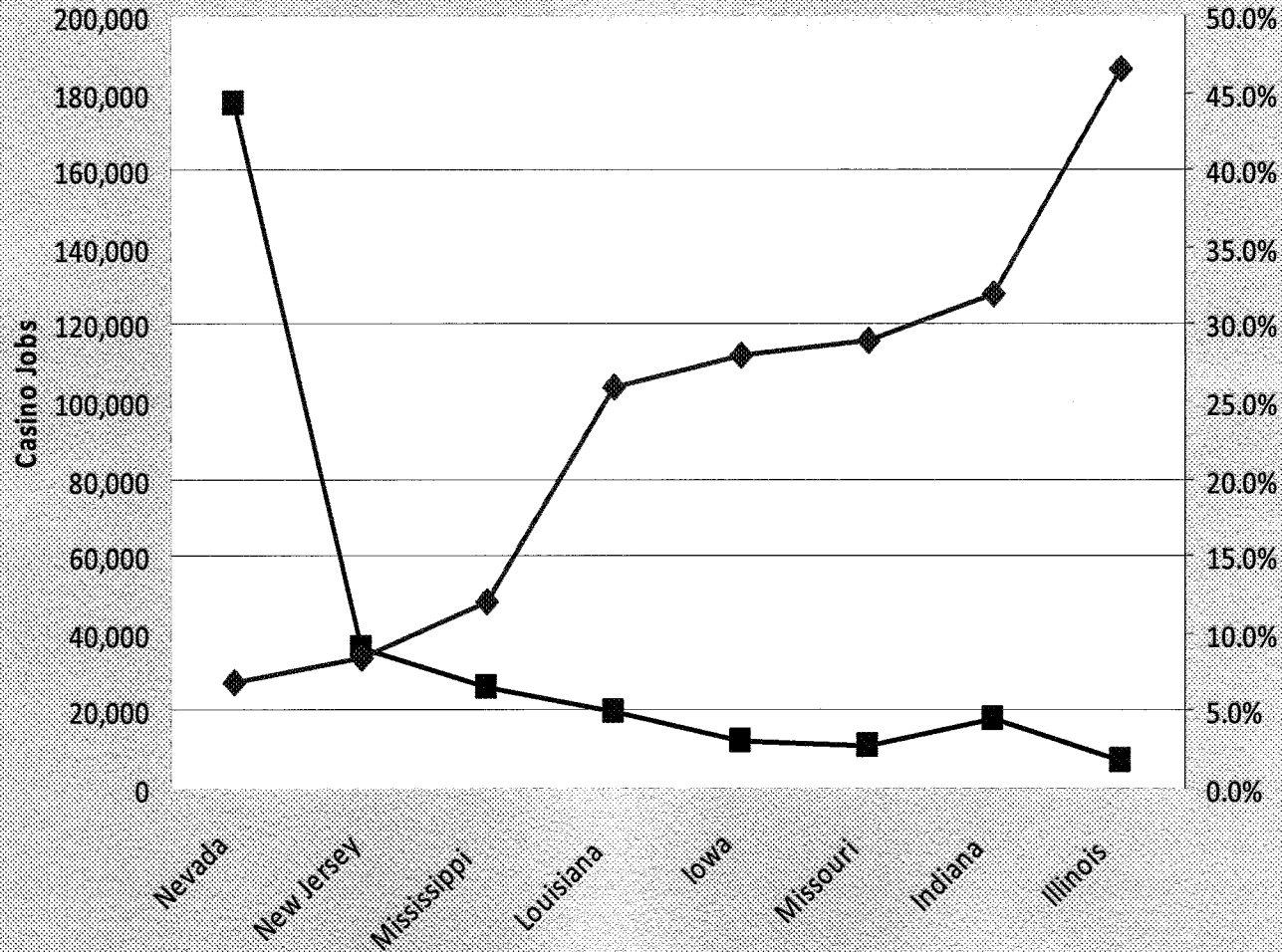
Lower Tax Rate = Higher Investment



**Excerpt from AGA's 2005 Study - "Impacts of Gaming Taxation in the United States"
Note: Racetrack casinos are not included in this exhibit.
Source: Christiansen Capital Advisors, LLC; State Regulatory Agencies*

Lower Tax Rate = More Jobs

2009 Casino Jobs vs. Effective Tax Rate



-Casino Jobs -Effective Tax Rate

Proposed Expansion of Gaming Footprint

Expanding the current gaming footprint without including Pari-mutuels, WILL NOT maximize the benefits of Gaming to Florida

- ✘ Eliminates guaranteed annual revenue share from Seminoles**
- ✘ Will devastate the South Florida Pari-mutuel Casino Operations, causing lost jobs and lost taxes for Florida**
- ✘ Will severely impact overall Pari-mutuel industry in Florida, causing lost jobs and lost taxes for Florida**
- ✘ Florida should not take action to expand gaming while there is litigation pending regarding Constitutionality of gaming expansion**

Current Benefits of Gaming at RISK

**✘ Potential loss of annual tax revenues to Florida
from Seminoles and South Florida Casinos**

\$300 – 400 million

**✘ Potential loss of existing Florida jobs from South
Florida Casinos**

8,000 – 10,000

FLORIDA'S PARI-MUTUEL INDUSTRY

MULTI-BILLION DOLLAR Annual Economic Impact



- **Provides tens of thousands Floridians Jobs**
- **Annual purse and breeders awards of over \$100 million paid by Florida Pari-mutuels**

One Option: Allow full casinos at ALL existing Pari-mutuel facilities

- ✓ **Florida can benefit from Casinos without expanding beyond the current Pari-mutuel footprint**
- ✓ **Full parity in Gaming product and a more reasonable tax rate for all pari-mutuel facilities**
- ✓ **Maximize jobs, capital investment and taxes in up to 23 locations across the state**
- ✓ **Revenue share from the Seminoles will be eliminated and would have to be recaptured through the new casinos**

Another Option: Develop resort casinos within existing casino footprint

- ✓ **Incentivize capital investment at the existing South Florida Casino Operations to develop into Resort Casinos**
- ✓ **Lower tax rate or Capital Investment Tax Credits**
- ✓ **Parity of Gaming product**
- ✓ **Florida can benefit from Resort Casinos without losing existing tax revenues and existing jobs**

Resort Casinos developed at existing South Florida Casinos WILL NOT “take away” from Florida

- ✓ **WILL NOT be an expansion of gaming**
- ✓ **WILL NOT eliminate annual Seminole revenues**
- ✓ **WILL NOT devastate South Florida Pari-mutuel Casinos, causing lost jobs and lost tax revenues**
- ✓ **WILL NOT severely impact overall Pari-mutuel industry, causing lost jobs and lost tax revenues**
- ✓ **WILL NOT be open to Constitutionality issues**

MAXIMIZE BENEFITS FROM GAMING

**Resort Casinos developed at the existing
South Florida Casinos WILL help maximize
Florida's benefits from Gaming**

- ✓ **WILL maximize revenues to Florida from both
the South Florida Casinos and Seminoles**
- ✓ **WILL result in new capital investment for Florida**
- ✓ **WILL result in more jobs for Floridians**

WE BELIEVE



Florida should take comprehensive approach to maximize its benefits from Gaming (Casinos, Pari-mutuels, Tribal)



Parity in product and a reasonable tax rate will maximize Florida's benefits from Gaming



Any expansion of Gaming must include the Pari-mutuel industry in order to maximize the benefits for Florida

**MAXIMIZE THE
BENEFITS OF
CASINO GAMING
FOR FLORIDA**

