

## Florida's Senate takes first step to allow video slots at Bonita's dog track

By Michael Peltier

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**TALLAHASSEE** — (Updated at -- Visitors to the Naples-Fort Myers Greyhound Track would be allowed to play video slot machines under a bill passed Thursday by the Florida Senate.

But backers acknowledge they may face a stacked deck in the 120-member House, where leaders have traditionally held a much stronger anti-gambling stance.

Still, they are not folding just yet.

“Our battle mantra is this: We are here and willing to help the state economy,” said Izzy Havenick, vice-president of Southwest Florida Enterprises, which runs the Bonita Springs track and another in Miami. “We’re saying ‘Tax us, tax us, tax us,’ in a state that needs the revenue.”

By a 27-11 vote, the Senate agreed to allow limited video-slot-machine gambling at the state’s existing pari-mutuel facilities. Backers say the measure would close the gap between these facilities, Indian casinos and higher stakes games now authorized for Miami-Dade and Broward counties.

They also cautioned that failure to allow an additional revenue source for the state’s 18 pari-mutuels could lead to closures of some parks.

“Some of these pari-mutuels have been

good corporate citizens in our state for 50, sometimes 75 years,” said Senate sponsor Dennis Jones, R-Seminole.

The Naples-Fort Myers track is celebrating its 50th anniversary.

Critics, however, say allowing the tracks and jai alai frontons to add video terminals is simply another expansion of gambling in a state in which residents outside of South Florida have repeatedly opposed more gaming.

“This is exactly what our constituents have feared,” said Sen. Rhonda Storms, R-Brandon. “If you allow it in one little area, it’s like cancer and it spreads everywhere.”

The proposal would allow existing pari-mutuel facilities to operate up to 2,000 machines. Owners would pay a \$3 million a year license fee and be taxed at a 35 percent rate.

“I don’t think it is an expansion of gambling if we allow our remaining facilities to have these lesser machines,” said Sen. Dave Aronberg, D-Greenacres.

State economists estimate that expanding slot machines to the facilities would provide nearly \$260 million in tax revenue a year by 2011.

There is currently no House companion to

the measure but backers are hoping to incorporate it into other gaming measures.

South Florida's jai alai frontons and horse and dog tracks would also get a tax break on their slot machine earnings to help compete against expanding Seminole Indian casinos under another bill.

Broward and Miami-Dade pari-mutuel facilities would still have to pay a minimum of \$123 million in taxes. Above that level, earnings would be taxed at 35 percent instead of a 50 percent rate.

"At a 50 percent tax rate they're either losing money or barely breaking even now," said Sen. Steve Geller, the bill's sponsor.

"And with additional competition from the Indians offering product that they can't, I would expect that they would close," the Cooper City Democrat said. "With a 35 percent tax rate they have a shot of hanging on."

He insisted it's not an expansion of gambling. Geller, though, acknowledged that four facilities, which are eligible to install the Las Vegas-style slots but haven't yet done so, are unlikely to put them in without the tax cut.

The Senate voted 25-12 for the slots tax cut (SB 970) and 27-11 for the electronic gaming machine expansion (SB 1380) sponsored by Sen. Dennis Jones, R-Seminole.

Florida voters amended the state constitution in 2004 to permit Broward and Miami-Dade to decide whether they wanted to allow slots. Broward voters approved them the next year and Miami-Dade voters did so in January.

Three of four sites eligible to have slots in Broward have now installed them. Three more facilities are eligible to put in the slots in Miami-Dade.

The Seminole Tribe is expanding its casinos to add slots and other games including blackjack and baccarat under a federally approved compact signed by Gov. Charlie Crist. The pari-mutuels, though, are limited by the state's constitution to slots, giving the Seminole casinos a competitive edge.

The Legislature has challenged the compact in the Florida Supreme Court because it has not been approved by lawmakers.

Geller said he's confident the justices will rule for the Legislature because that's what has happened in five similar cases in other states. If not, the pari-mutuels may be unable to compete, even with the tax cut.

A companion bill (HB 1241) to Geller's has been introduced in the House but has not yet been heard.