

Senate OKs video gambling machines across Florida

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TALLAHASSEE - Covetously eyeing the hundreds of millions it could bring into state coffers, the Florida Senate on Thursday approved a plan to expand gambling statewide.

Senators also said yes to lowering the tax rate on Broward County's slots operators to help them compete against the Seminole Tribe's casinos.

The future of both bills is questionable, however. House Speaker Marco Rubio is adamantly opposed to any expansion of gambling in Florida.

But proponents said the package of bills would help the state's struggling jai-alai frontons and dog and horse tracks, some of which have operated for more than 70

years. The legislation includes Palm Beach Kennel Club.

The money has a tempting allure for a state facing an economic slowdown and falling tax collections. Legislators learned this week they will have \$2 billion less than they expected to fund next year's budget.

The expansion plan would allow all pari-mutuels in the state to operate video-lottery terminals, a type of slot-like machine that functions like a bingo game, with players competing against each other. They are not the same as Las

Vegas-style slots, which offer bigger payouts and have players compete against the house.

"The time has come to help our good corporate citizens," said Sen. Dennis Jones, R-St. Petersburg, chairman of the Senate's Business Regulation Committee.

The video-lottery bill, sponsored by Jones and expected to raise up to \$500 million a year for public schools, passed the Senate in a 27-11 vote.

But if it is also passed by the House, the bill would violate a compact Gov. Charlie Crist signed with the tribe, giving the Seminoles the right to run Las Vegas-style slots and guaranteeing the state \$150 million in revenues from tribal casinos per year — unless the state expands gambling outside of South Florida.

"Based on my reading of the compact, if they allow [video-lottery terminals] everywhere, then that will end our obligation to make payments," said Jim Allen, chief executive officer for Seminole Gaming. "I think that's pretty clear."

Allen said he doesn't worry about the northern part of the state but said video terminals at the Palm Beach Kennel Club could impact his business.

The tax-break measure sponsored by Senate Democratic Leader Steve Geller,

D- Cooper City, would reduce the tax on Broward's slot machines from 50 percent to 35 percent. It passed the Senate 25-12.

"At 50 percent, the pari-mutuels are losing money or just breaking even," Geller said. "If the Indians get additional gambling and the pari-mutuels don't, I'd expect at least one, or possibly all three, to close."

The Seminoles' slots are not taxed.

While Broward voters approved slot machines at the county's four pari-mutuel facilities, only three have so far chosen to install them: Gulfstream Park and Mardi Gras Race Track and Gaming, both in Hallandale Beach, and The Isle Casino at Pompano Park. Geller said Dania Jai-Alai, plus three pari-mutuels in Miami-Dade County recently authorized by voters to install the slot machines, are unlikely to do so unless the tax rate goes down.

"With the tax rate we have now, we're at a huge disadvantage," said Doug Shipley, vice president and general manager of the Isle Casino. "When [the Seminoles] are able to add blackjack, that's just icing on the cake for them."

He said the company would like to expand, add more jobs and build a hotel, but can't afford to.

"When we were going down this path, we thought the tax would be no more than 35 percent, or we never would have spent \$200 million in renovations," he added.

Although Geller's bill lowers the tax rate, it would guarantee the three pari-mutuels now offering slots in Broward would continue to provide the state with the same amount of tax dollars at the lower rate. Today there is no minimum guarantee to the state.

Under the bill's provisions, The Isle Casino, the county's most lucrative facility, would have to pay the state \$61 million a year; for Mardi Gras, it would be \$41 million, and for Gulfstream, \$21 million. Any new facility offering slots would have to provide at least \$41 million a year.

That minimum, however, would be eliminated if the Seminoles start offering blackjack and baccarat. The tribe this week announced plans to start offering those games in June.

But Geller said he thinks the Legislature's legal challenge to the compact Crist signed with the tribe will prevent that from happening. The Florida Supreme Court is deliberating that challenge.

Staff Writer John Holland contributed to this report.

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