

MEMORANDUM

TO: All Interested Parties

FROM: Marc Dunbar and Dan Russell

RE: Analysis of the Destination Casino Legislation

Section #:

1. Eliminates the Division of Pari-mutuel Wagering from the Department of Business and Professional Regulation. (Page 12)
2. Creates the Department of Gaming Control and Gaming Commission. The Department of gaming Control is broken down into three divisions:
 - a. Enforcement
 - b. Licensure
 - c. Revenue/Audit. (Page 13)
3. Grants authority to the Department of Gaming Control and the State Gaming Commission relating to licensure. (Page 18)
4. Reorganizes Chapter 551, Florida Statutes, creating Parts, I, II, III. (Page 20)
5. Definitions. (Page 20)
6. Membership in the State Gaming Commission:
 - a. 7 members
 - b. Appointed to staggered (initially) 2 or 4 year terms
 - c. Chair of the Commission shall be appointed by the Governor
 - d. The headquarters of the Commission shall be located "in the district." (Page 22)
7. The Gaming Commission Nominating Committee shall consist of 6 members, 3 from the House of Representatives and 3 from the Senate. (Page 25)
8. The Gaming Commission shall have an Executive Director, appointed by the Commission. (Page 29)
9. The Department is authorized to employ law enforcement officers. (Page 30)
10. A code of ethics is established which:

- a. Forbids a member of the Commission from owning or being employed by, in the 3 years after leaving the commission, any company or person licensed by the Commission.
 - b. Bars members of the Commission from wagering in any facility regulated by the Commission. (Page 31)
11. Commissioners must go through a thorough financial and personal history background check. (Page 34)
 12. Ex-parte communications between members of the Commission and any applicant or licensee are forbidden. (Page 38)
 13. Penalties, including removal from the Commission, are established for Commissioner misconduct. (Page 41)
 14. Titles this law the "Destination Resort Act." (Page 42)
 15. Definitions. Including a definition of "limited gaming" which is used throughout the bill to mean:
 - a. "...baccarat, twenty-one, poker, craps, slot machines, video gaming of chance, roulette wheels..." etc. (Page 42)
 16. Grant of authority to the State Gaming Commission:
 - a. To grant 3 destination resort licenses
 - b. Conduct investigations
 - c. Collect fees
 - d. Conduct investigations
 - e. Issue subpoenas
 - f. Inspect any area of a destination resort
 - g. Collect taxes
 - h. Deny, revoke, or suspend a license. (Page 48)
 17. Grant of authority to proceed with rulemaking in furtherance of this bill, including:
 - a. Procedures to test gaming devices
 - b. Procedures relating to gaming revenues
 - c. Minimum security and surveillance standards
 - d. Standards for seizure without notice of gaming equipment, supplies, etc.
 - e. Any other rules, as required. (Page 52)
 18. Preemption of authority which bars a county, municipality, or other political subdivision from enacting any gaming ordinances. (Page 57)
 19. Destination resorts may be located in any county where slot machine activities are authorized. (Page 57)
 20. Defines the process by which destination resort licenses are to be awarded. (Page 58)
 21. Lists the criteria upon which destination resort licenses are to be awarded, including:
 - a. Best serves the residents of Florida
 - b. Capacity to increase tourism
 - c. No more than 10% of the total square footage may be gaming-related
 - d. History of involvement in the community
 - e. Adequate funding
 - f. Ability to train residents of the state for jobs

- g. Ability to expend at least \$2 billion in new development and construction following the award of a license
 - h. Ability to generate substantial gross receipts
 - i. Design and location (35%), Management expertise (10%), Speed to market (35%), Financial plan/access to capital (10%), Community plan (10%)
 - j. Preference shall be given to facilities located in areas of high unemployment, with the ability to begin construction within 12 months, etc. (Page 59)
- 22.** Creates the application process for a destination resort license and provides detailed instruction as to what documents and information shall be included in the application package. (Page 63)
- 23.** License applications that are incomplete shall have 30 days to correct their applications. (Page 69)
- 24.** Applicants need not provide details of any institutional investors in their applications. (Page 70)
- 25.** Banks or other lending institutions need not receive a license. (Page 72)
- 26.** Conditions for receiving a destination resort license include:
- a. Compliance with all applicable laws/rules
 - b. Ensuring that the facility based monitoring system accurately reports all financial information
 - c. Submission and updating of the security plan
 - d. Implementation of hiring policies that include opportunities for equal, non-discriminatory practices, drug-testing, etc.
 - e. Ensuring that each slot machine shall pay out at least 85%
 - f. Keep and maintain daily records for a period of at least 5 years. (Page 72)
- 27.** Each destination resort shall provide and continuously maintain a security bond. (Page 76)
- 28.** Requirements of licensees, including
- a. No one under 21 can participate in any gaming activities
 - b. Facilities may operate 24-7-365
 - c. Licensees shall set the minimum and maximum wagers. (Page 77)
- 29.** Annual license fee is \$2 million and the tax rate is 10% of gross gaming revenue. (Page 79)
- 30.** All licensees must be fingerprinted and submit such fingerprints to FDLE. (Page 80)
- 31.** Suppliers of gaming equipment and devices must also be licensed:
- a. Licensure as a supplier requires includes payment of an application fee, not to exceed \$25,000
 - b. All supplier licensees must have fingerprints on file with FDLE
 - c. Substantially similar requirements to other gaming licenses. (Page 82)
- 32.** All employees of destination resorts must receive an occupational license, and may not begin working for a gaming company until receiving such license
- a. Applicants must disclose all previous gaming experience and/or positions in other jurisdictions

- b. Applicants must be 21 to work in gaming areas and at least 18 to work at the facility. (Page 86)
- 33.** Suppliers may receive temporary licenses for up to 180 days. (Page 88)
- 34.** The Commission shall file a quarterly report to the Governor. (Page 89)
- 35.** Disputes between players and licensees shall be resolved only by the Department, state courts shall not have jurisdiction over gaming-related disputes. (Page 90)
- 36.** Destination resorts are authorized to issue markers to patrons. (Page 91)
- 37.** Destination resorts shall offer compulsive and addictive gambling prevention programs to its employees and patrons. (Page 93)
- 38.** Patrons may self-exclude from destination resorts. (Page 94)
- 39.** Relates specifically to alcoholic beverage licenses. (Page 96)
- 40.** Destination resorts and slot machine licensees are exempted from 849.15, which would otherwise make possessing a slot machine illegal. (Page 102)
- 41.** Destination resorts and slot machine licensees are exempted from 849.231, which would otherwise make possessing gambling devices illegal. (Page 104)
- 42.** Destination resorts and slot machine licensees are exempted from 849.25, which would otherwise make wagering upon a game of chance illegal. (Page 105)
- 43.** Creates section 849.48 and requires any person who operates a gambling business or allows gambling to occur on their premises to obtain a license from the Department. (Page 107)
- 44.** All powers of the Division of Pari-mutuel Wagering are transferred to the Department of Gaming Control. (Page 111)
- 45.** The regulatory body over the Seminole Tribe of Florida's gaming operations will be the Department of Gaming Control. (Page 112)
- 46.** Restructuring of definitions. (Page 113)
- 47 – 74.** Replace "Division of Pari-mutuel Wagering" with "Department of Gaming Control" and/or replace "chapter" with "part." (Beginning on page 113)