

UPDATE: Gambling & Casinos in Florida

November 16, 2011 (Tallahassee, FL)—Big casino operators made big promises Wednesday to the Senate Regulated Industries Committee as the workshop began on **SB710**—also known as the *destination resort bill*. The Genting Group promises 117,000 direct, indirect and induced jobs through the required \$2 billion investment!

Senator Dennis Jones, Committee Chairman, promised to fast track the bill and thought the committee might vote on the bill in the first week of session in January.

In addition to **Genting**, representatives of **Las Vegas Sands**, **MGM Resorts** and **Wynn Resorts** spoke in support of the bill which allows for up to three destination resorts in **Miami-Dade or Broward Counties**. One interesting point is that, technically, the bill also allows destination resorts in all parts of the state. However, that could be changed through the amendment process. Regardless, Alan Feldman of MGM Grand made it clear that no area other than South Florida could sustain a \$2 billion investment as is required by the bill.

The sponsor of the bill, Senator Bogdanoff of Ft. Lauderdale, clearly stated, *“The goal here is to reform gaming and have a strategic direction.”* She further stated, *“Instead of allowing low-end gaming of internet sweepstakes and pari-mutuels to expand through the state, the high-end market should be the target.”*

This proposed reform bill could cause changes throughout the state as it relates to internet cafes, pari-mutuel facilities, gray market slot machines, adult arcades, Seminole Tribe casinos, racinos, and even the lottery. The proposed bill calls for a new form of regulatory agency to oversee all forms of gambling. Senator Bogdanoff has also agreed with another suggestion to eliminate the Department of the Lottery and include it under the new gaming commission.

The **South Florida racinos** (pari-mutuels), who may have the most to lose in this change, came out strongly *against* the proposed legislation—Primarily, since the proposed bill allows the casinos to pay a tax of 10% while the racinos are expected to pay 35%. What makes matters worse is that the proposed bill may violate the current compact with the Seminole Tribe, resulting in the Tribe no longer sharing revenue with the state and in effect having a 0% tax. The Seminole Tribe facilities are the primary competition for the South Florida pari-mutuels today.

The Senate Regulated Industries Committee **will meet again next month to discuss the impact on the Seminole Tribe Compact** and possibly review the financial impact the proposed legislation might have on the state as a whole. Stay tuned for updates on this critical issue.

Note: Why is the State of Florida seeing a surge in applications for pari-mutuel permits? Look for our future Insider Update!

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