

HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

BILL #: SB 2510 Florida Gaming Control Commission

SPONSOR(S): Appropriations

TIED BILLS: IDEN./SIM. BILLS:

FINAL HOUSE FLOOR ACTION: 102 Y's 5 N's **GOVERNOR'S ACTION:** Approved

SUMMARY ANALYSIS

SB 2510 passed the House on March 14, 2022, as amended by the conference committee.

The bill conforms statutes to funding decisions related to the Florida Gaming Control Commission and the PMW Trust Fund in the Fiscal Year 2022-2023 General Appropriations Act.

The Florida Gaming Control Commission (commission) was created in 2021, as an independent entity administratively housed within the Department of Legal Affairs, Office of Attorney General. The commission is a separate budget entity and serves as the agency head for all purposes.

The commission consists of five members, one from each appellate district, to be appointed by the Governor by January 1, 2022, subject to Senate confirmation. For a period of two years immediately preceding appointment to, or employment with, the commission, and while appointed or employed with the commission, a person may not be a registered lobbyist for the executive or legislative branch, except while a commissioner when officially representing the commission.

The Pari-Mutuel Wagering (PMW) Trust Fund is the only funding source for the commission. Currently, any balance remaining in the trust fund in excess of \$1.5 million at the end of a fiscal year is transferred to the General Revenue Fund. For the 2021-2022 fiscal year, it is estimated the transfer to the General Revenue Fund is approximately \$22 million.

The bill makes the following changes related to the commission and the PWM Trust Fund:

- Deletes a requirement that each member of the commission be appointed from each one of the five appellate court districts in light of the Supreme Court's request to create a new Sixth Appellate District.
- Allows a person who has lobbied for a state agency to be appointed as a commissioner or employed as a commission employee.
- Moves the hearing and notice requirements exemption in ch. 120, F.S., for pari-mutuel stewards, judges, and boards of judges from the Division of Pari-mutuel Wagering (division) to the commission.
- Deletes the PMW Trust Fund from the Department of Business and Professional Regulation and, instead authorizes the commission to administer the PMW Trust Fund.
- Removes language specifying that the PWM TF is for slot machine regulation, making the PWM TF available for all of the commission's operations.
- Provides that the daily license fees for pari-mutuel wagering are to be used to fund the operating cost of the commission rather than the division and the proportionate share of the office of the secretary and administration.
- Deletes the transfer of funds from the PMW Trust Fund to the General Revenue Fund.
- Requires the commission to evaluate the license fee for slot machine regulatory requirements and make recommendations to the President and Speaker on the level of slot machine license fees by January 1, 2026.
- Provides that the game promotion statute (s. 849.094, F.S.) does not apply to actions regulated by the Florida Gaming Control Commission.

The bill was approved by the Governor on June 8, 2022, ch. 2022-179, L.O.F., and will become effective on July 1, 2022.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: s2510z2.DOCX

DATE: 6/15/2022

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Present Situation

The Florida Gaming Control Commission

The Florida Gaming Control Commission (commission) was created in 2021¹, as an independent entity administratively housed within the Department of Legal Affairs, Office of Attorney General. The commission is a separate budget entity and serves as the agency head for all purposes. The commission's exercise of executive powers in the area of planning, budgeting, personnel management, and purchasing must conform to state law. The commission is not subject to control, supervision, or direction by the Department of Legal Affairs or the Attorney General in the performance of its duties, including but not limited to personnel, purchasing transactions involving real or personal property, and budget matters. The law creating the commission also transferred the Division of Pari-mutuel Wagering (division) within the Department of Business and Professional Regulation (DBPR) to the commission in order to consolidate the regulation of gaming in Florida.

The commission consists of five members, one from each appellate district, to be appointed by the Governor by January 1, 2022, subject to Senate confirmation. Of the five members, at least one member must have at least 10 years of experience in law enforcement and criminal investigations, at least one member must be a certified public accountant licensed in this state with at least 10 years of experience in accounting and auditing, and at least one member must be an attorney admitted and authorized to practice law in this state for the preceding 10 years. After initial appointments to create staggered terms, all members will serve four year terms, but may not serve more than 12 years.

A person may not be appointed to the commission until after a level 2 background screening pursuant to ch. 435, F.S., is performed, the results are forwarded to the Governor, and the Governor determines that the person meets all the requirements for appointment. However, a person who is ineligible for appointment under s. 16.713, F.S., may not be appointed by the Governor.

For a period of two years immediately preceding appointment to, or employment with, the commission, and while appointed or employed with the commission, a person may not:

- Hold a permit or license issued under ch. 550, F.S., (Pari-mutuel Wagering), or a license issued under ch. 551, F.S., (Slot Machines), or ch. 849, F.S., (Gambling); be an officer, official, or employee of such permit holder or licensee; or be an ultimate equitable owner, as defined in s. 550.002(37), F.S., of such permit holder or licensee;
- Be an officer, official, employee, or other person with duties or responsibilities relating to a gaming operation owned by an Indian tribe that has a valid and active compact with the state; be a contractor or subcontractor of such tribe, or an entity employed, licensed, or contracted by such tribe; or be an ultimate equitable owner, as defined in s. 550.002(37), F.S., of such entity;
- Be a registered lobbyist for the executive or legislative branch, except while a commissioner when officially representing the commission; or
- Be a bingo game operator or an employee of a bingo game operator.

Pari-mutuel Wagering Trust Fund

The Pari-Mutuel Wagering (PMW) Trust Fund is the only funding source for the commission. Currently, any balance remaining in the trust fund in excess of \$1.5 million at the end of a fiscal year is transferred to the General Revenue Fund. For the 2021-2022 fiscal year, it is estimated the transfer to the General Revenue Fund is approximately \$22 million.

¹ See ch. 2021-268, L.O.F.

Effect of the Bill

The bill makes the following changes related to the commission and the PWM Trust Fund:

- Deletes a requirement that each member of the commission be appointed from each one of the five appellate court districts in light of the Supreme Court's request to create a new Sixth Appellate District.
- Allows a person who has lobbied for a state agency to be appointed as a commissioner or employed as a commission employee.
- Moves the hearing and notice requirements exemption in ch. 120, F.S., for pari-mutuel stewards, judges, and boards of judges from the Division of Pari-mutuel Wagering (division) to the commission.
- Deletes the PMW Trust Fund from the Department of Business and Professional Regulation and, instead authorizes the commission to administer the PMW Trust Fund.
- Removes language specifying that the PWM TF is for slot machine regulation, making the PWM TF available for all of the commission's operations.
- Provides that the daily license fees for pari-mutuel wagering are to be used to fund the operating cost of the commission rather than the division and the proportionate share of the office of the secretary and administration.
- Deletes the transfer of funds from the PMW Trust Fund to the General Revenue Fund.
- Requires the commission to evaluate the license fee for slot machine regulatory requirements and make recommendations to the President and Speaker on the level of slot machine license fees by January 1, 2026.
- Provides that the game promotion statute (s. 849.094, F.S.) does not apply to actions regulated by the Florida Gaming Control Commission.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The bill ensures the commission will have access to adequate funding in the PMW Trust Fund and makes statutory modifications to ensure the trust fund may be used for all operations of the commission. The bill conforms statutes to funding decisions related to the Florida Gaming Control Commission and the PMW Trust Fund in the Fiscal Year 2022-2023 General Appropriations Act.