

# Racino New Territories Update: Florida

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[www.myflorida.com/dbpr/pmw/index.html](http://www.myflorida.com/dbpr/pmw/index.html)



# Slot Machines in Florida

- Broward County licensed slot facilities:
  - Gulfstream Park Racing Association– 516 slot machines
  - Mardi Gras Racetrack and Gaming Center– 1,230 Machines
  - The Isle Casino and Racing at Pompano Park – 1,500 Machines
  - Diana Jai-Alai - Not yet operating
  
- Miami-Dade facilities:
  - Calder Race Course
  - Flagler Greyhound
  - Miami Jai-Alai

# Gulfstream Park



# Pompano Park



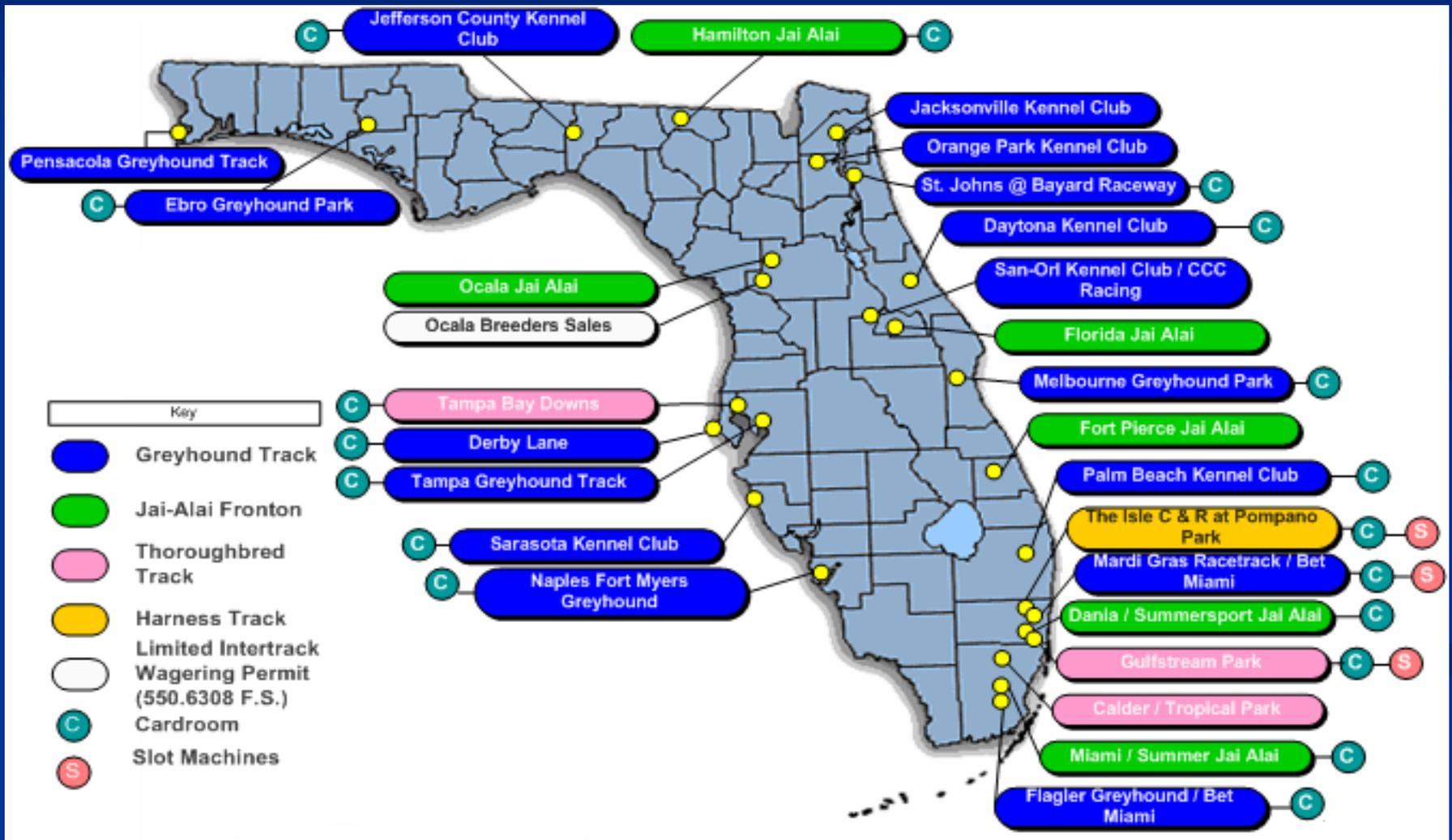
# Division Regulatory Structure

- The Division of Pari-Mutuel Wagering is a program area within the Florida Department of Business and Professional Regulation
- The division has 100 fulltime positions
  - 62 positions used for the regulation of pari-mutuel wagering
  - 38 positions used for the regulation of slot operations
- The division's FY 06/07 operating budget was: \$18.2 Million
  - \$10.5 Million for the regulation of pari-mutuel wagering
  - \$7.7 Million for the regulation of slot operations
- The Florida Department of Law Enforcement is statutorily required to partner with the division to aid in the regulation of slot operations.
  - \$3.2 Million budget

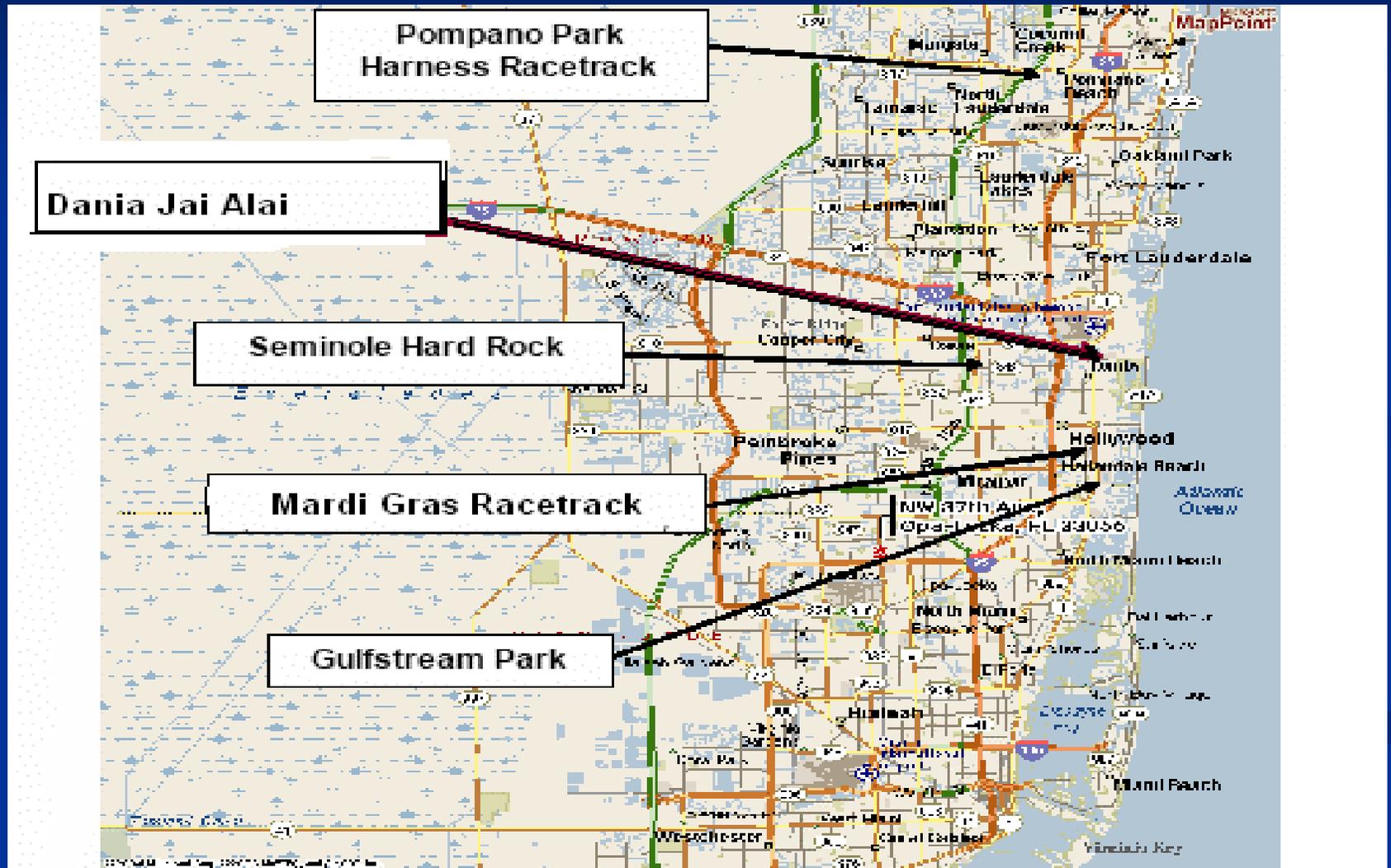
# Regulatory Oversight

- Florida statutes authorize pari-mutuel wagering for thoroughbred racing, harness racing, greyhound racing, jai-alai; and cardrooms and slot machines at eligible facilities.
- The division regulates:
  - 31 Licensed permitholders operating at 26 facilities
    - 18 Greyhound permitholders
    - 8 Jai-alai permitholders
    - 4 Thoroughbred permitholders
    - 1 Harness permitholder
  - 18 Cardrooms operating at pari-mutuel facilities
  - 3 Slot facilities located in Broward County's pari-mutuel facilities
- Occupational licenses:
  - As of June 30, 2007 the division has issued over
    - 17,700 pari-mutuel occupational licenses
    - 2,700 slot occupational licenses
    - 1,300 cardroom occupational licenses

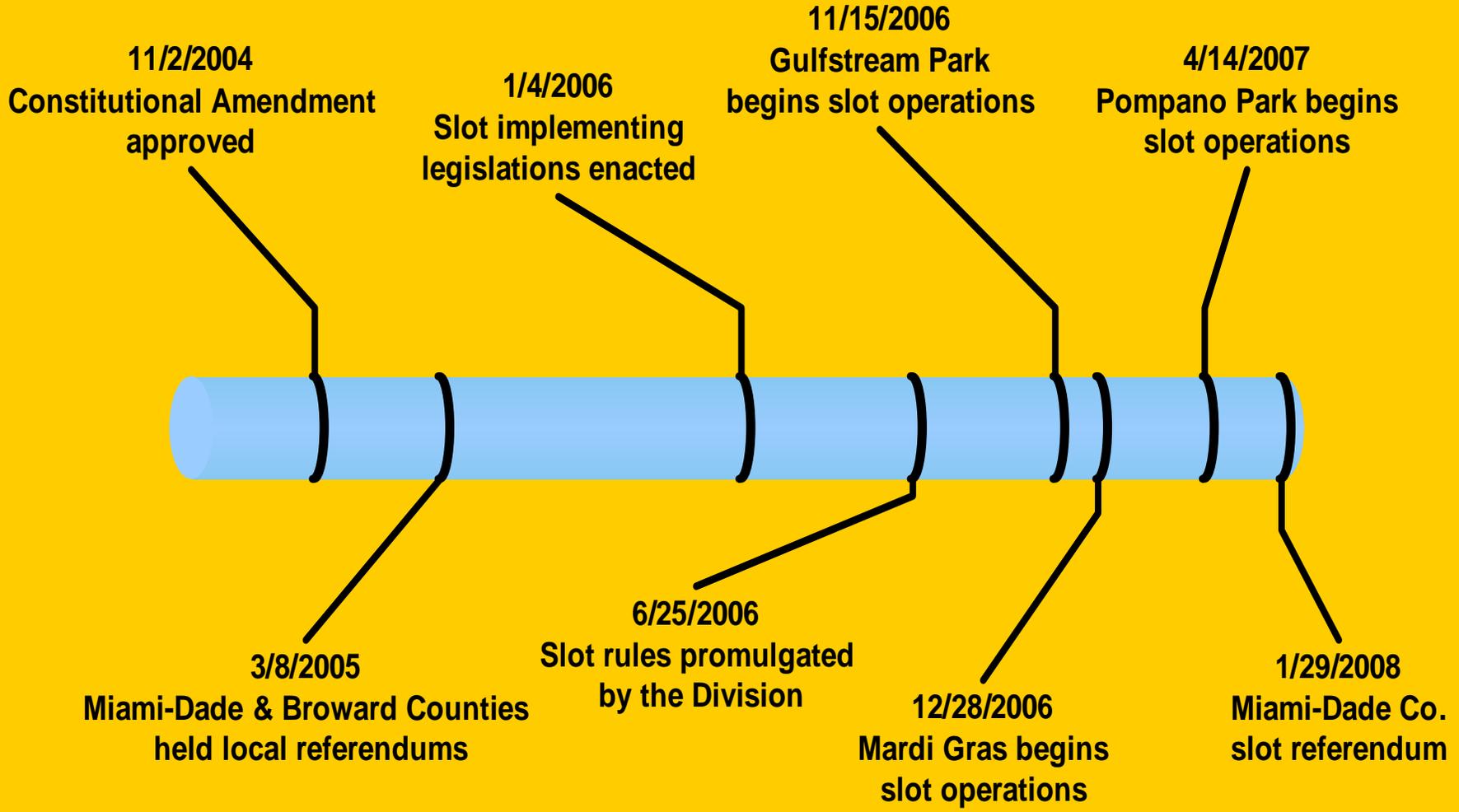
# Pari-Mutuel Facilities by Permit Type



# Approved Slot Facilities



# Timeline



# Regulatory Requirements

# During Fiscal Year 2006/2007

- 1,500 Class III slot machines per facility
- \$3 million dollar annual license fee per facility
- \$250,000 compulsive addictive gambling prevention program fee per facility
- 50% flat tax rate on net slot machine revenue
  - Taxes from slot machine revenue go to the Educational Enhancement Trust Fund

# During Fiscal Year 2006/2007

- Progressive jackpots and games prohibited
- Automated teller machines (ATM's) prohibited from the facility
- Check cashing prohibited
- Authorized to operate 16 hours a day
- Slot machines are required to be tested by a state licensed independent testing laboratory

# During Fiscal Year 2006/2007

- Required minimum payout is 85%
  - Actual payout is approximately 91%
- Each facility is required to have their own facility-based monitoring system
  - The division and Florida Department of Law Enforcement are required by law to have fulltime access to the facility-based monitoring system
- Machines can accept tickets and cash, but must only cash out in tickets

# Regulatory Changes for Fiscal Year 2007/2008

- 2,000 Class III machines per facility
- Progressive jackpots permitted within the facility
- “Non-redeemable credits” can be deducted from slot machine revenue
  - Promotional play credits that cannot be redeemed for cash or anything of value

# Regulatory Changes for Fiscal Year 2007/2008

- Automated teller machines (ATM's) permitted within the facility, but prohibited within the slot gaming area
- Check cashing permitted for patrons and employees
- Hours of operations allowed:
  - 18 hours a day Monday through Friday
  - 24 hours a day Saturday and Sunday and specified state holidays

# Statistical Data

# Gulfstream

- November 15, 2006 – November 26, 2007
  - Amount Wagered.....\$497.2 Million
  - Amount Won by Patrons.....\$451.6 Million
  - Non-Redeemable Credits.....\$1.5 Million
  - Net Slot Machine Revenue.....\$44.1 Million
  - Tax Revenue to State.....\$22.1 Million
  
- Number of slot machines:
  - As of 11/15/2006.....516 Machines
  - As of 07/01/2007.....1,221 Machines
  - As of 11/26/2007.....516 Machines
  - December 2007.....800+ Machines(?)

# Mardi Gras

- December 28, 2006 – November 26, 2007
  - Amount Wagered.....\$841.3 Million
  - Amount Won by Patrons.....\$765.4 Million
  - Non-Redeemable Credits.....\$0.5 Million
  - Net Slot Machine Revenue.....\$75.7 Million
  - Tax Revenue to State.....\$37.8 Million
  
- Number of slot machines:
  - As of 12/28/2006.....1,147 Machines
  - As of 07/01/2007.....1,156 Machines
  - As of 11/26/2007.....1,230 Machines

# Pompano Park

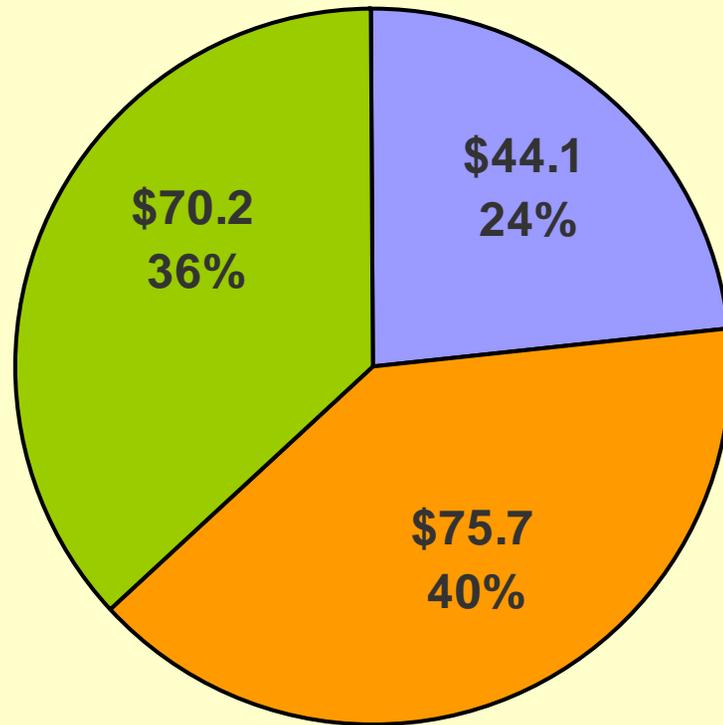
- April 4, 2007 – November 26, 2007
  - Amount Wagered.....\$870.2 Million
  - Amount Won by Patrons.....\$799.4 Million
  - Non-Redeemable Credits.....\$0.7 Million
  - Net Slot Machine Revenue.....\$70.2 Million
  - Tax Revenue to State.....\$35.1 Million
  
- Number of slot machines:
  - 1,500 Machines

# TOTAL

- Year-to-Date as of November 26, 2007
  - Amount Wagered.....\$2.2 Billion
  - Amount Won by Patrons.....\$2.0 Billion
  - Non-Redeemable Credits.....\$2.8 Million
  - Net Slot Machine Revenue....\$190.0 Million
  - Tax Revenue to State.....\$95.0 Million

# Net Revenue by Facility

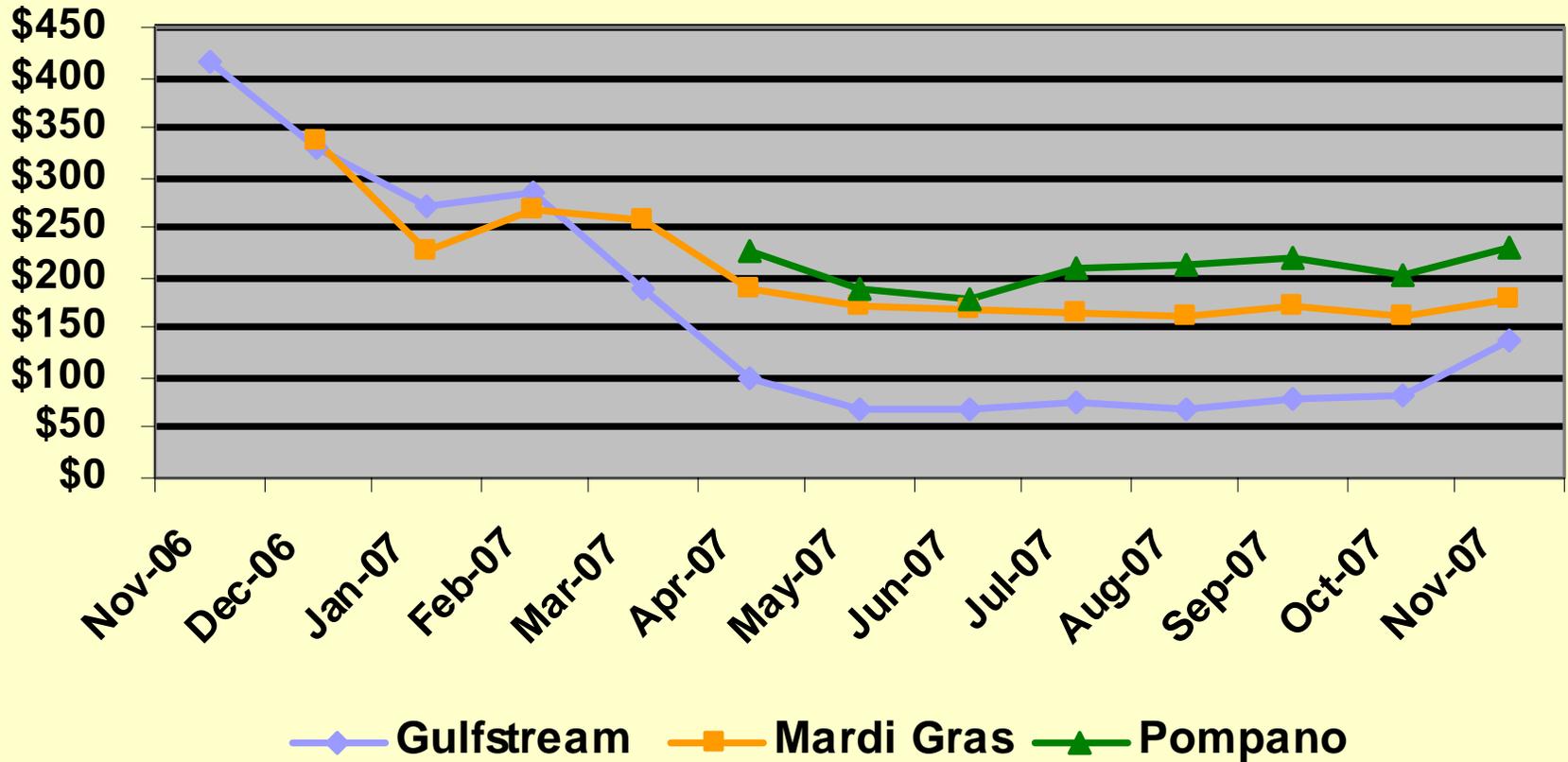
## Year-To-Date as of November 26, 2007



■ Gulfstream ■ Mardi Gras ■ Pompano

Note: Revenue in millions

# Revenue per Machine by Month



# Competition

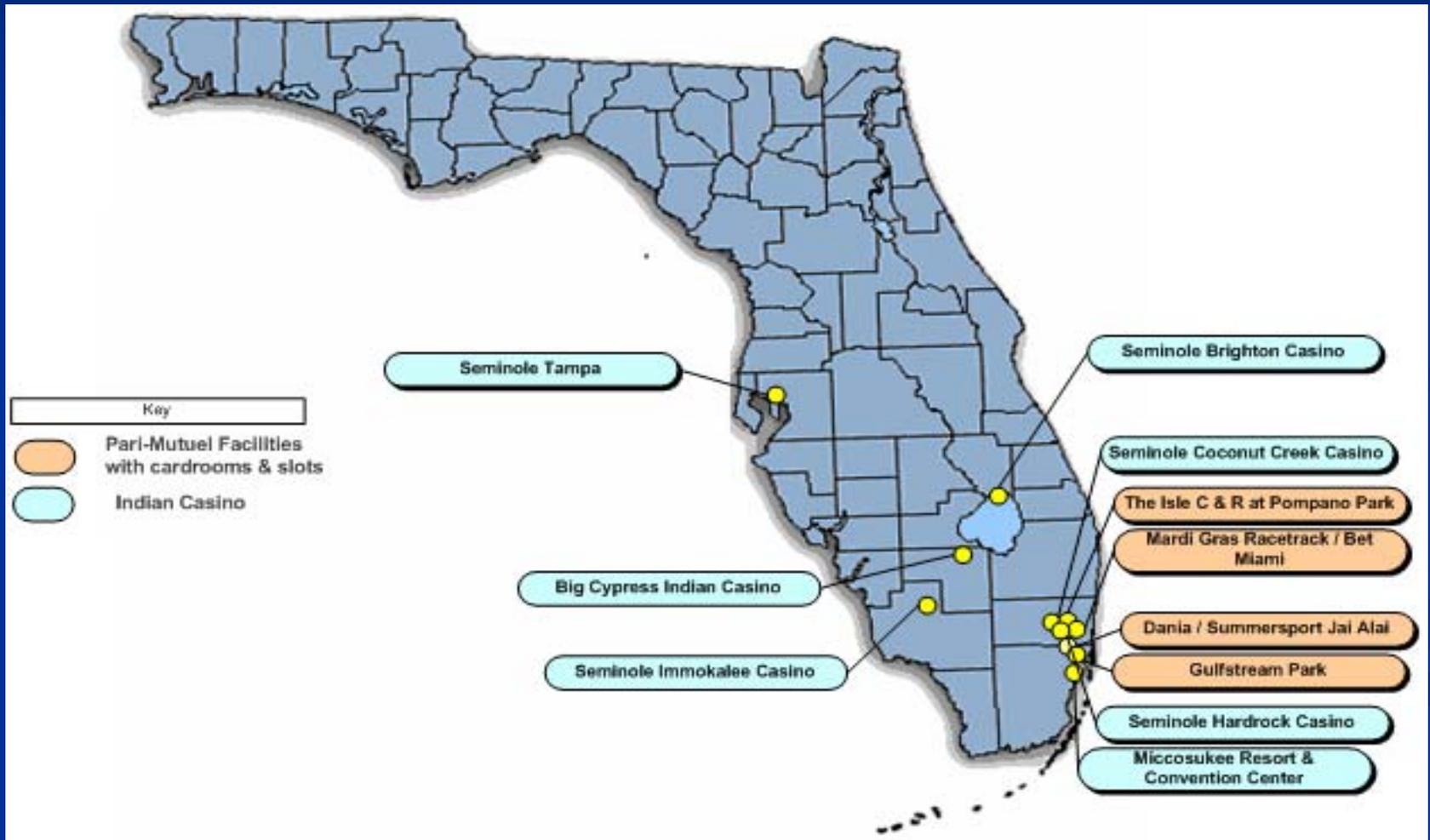
# Competition

- 7 Indian casinos
  - Currently unregulated by the state, compact pending
- “Cruises to nowhere”
  - Unregulated by the state
- “Adult arcades”
  - Unregulated by the state
- Florida Lottery
  - Regulated by the Department of Lottery

# Pending Indian Compact

- 25-year compact that gives the Seminole Tribe the right to operate the following:
  - Class III slot machines
  - Banked card games
    - Black jack, baccarat, and chemin de fer
  - Six no-limit poker tournaments each year, with 70% of the revenues going to charitable organizations
- The state will only provide oversight
  - The state agency responsible for the oversight is to be determined by the Legislature
- Guarantees an annual minimum payment to the state of:
  - \$100 million in the first year;
  - \$125 million the second year; and
  - No less than \$150 million in the third year.

# Indian Casinos in Relation to Slot Facilities



# Cardrooms

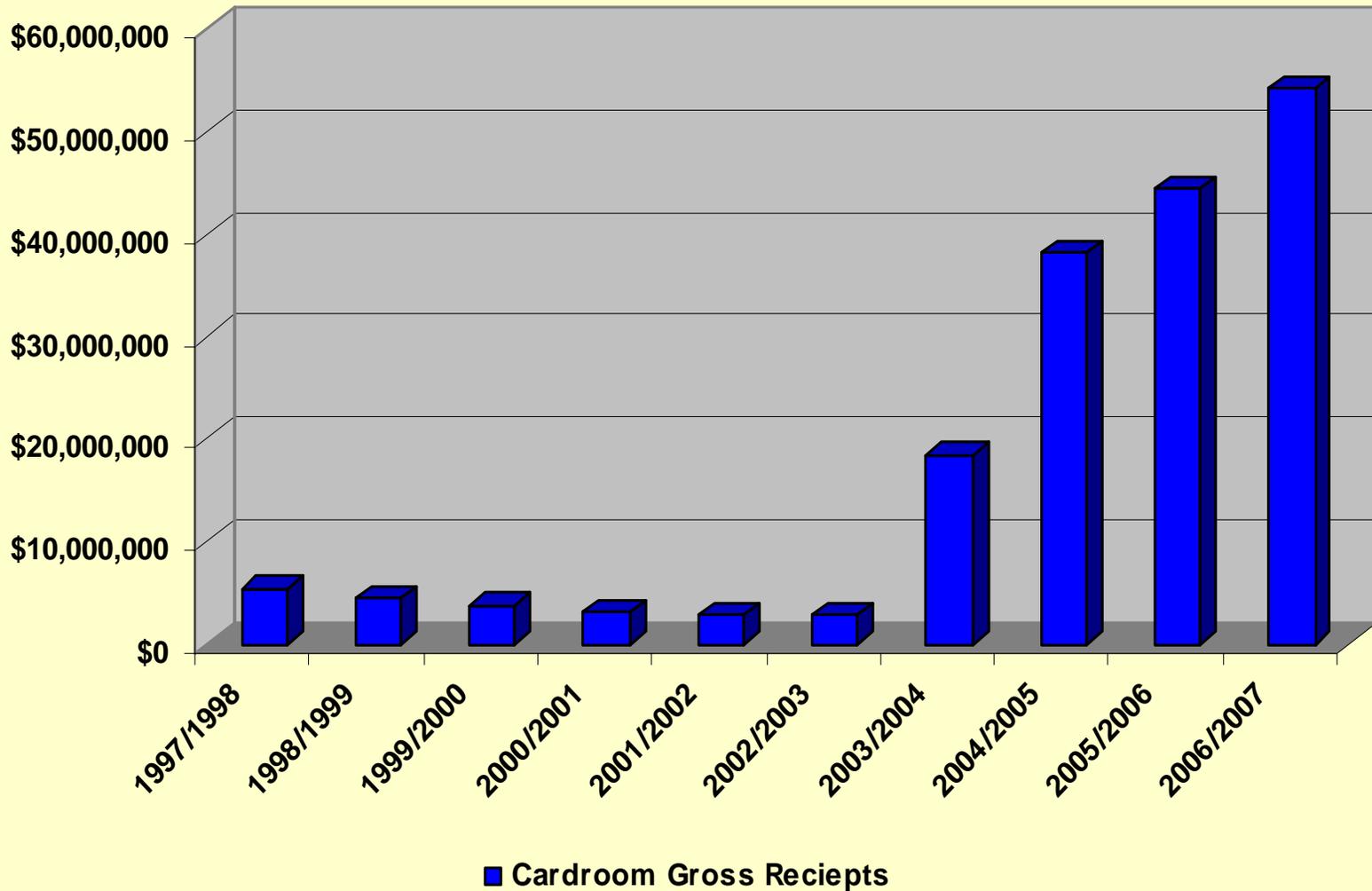
# Regulatory Requirements During FY 2006/2007

- Non-banking games of poker can be played at the 18 cardrooms located throughout the state
- 10% tax is paid on cardroom gross receipts
- Cardrooms were required to operate on a day there was a live pari-mutuel event
- Maximum wager is \$2.00 with a maximum of 3 raises in any round of betting
- Cardroom gross receipts have increased approximately 10 fold from 97/98 to 06/07

# Regulatory Changes for FY 2007/2008

- Authorized cardroom games:
  - Non-banking games of poker
  - Dominoes
- Maximum wager \$5.00 with a maximum of 3 raises in any round of betting
- Cardrooms are authorized to operate year-round
- Games of Texas Hold-em without a betting limit if the required by-in is no more than \$100 are authorized
- Poker tournaments are authorized
- October 2006 vs. October 2007
  - Cardroom gross receipts increased 87%

# Cardroom Activity



# Questions?

The End