

TALLAHASSEE WEEKLY REPORT

October 24-28, 2011

Destination Gaming Bills

This week, the long anticipated destination gaming bills were filed in both the Senate and House, by Senator Ellyn Bogdanoff and Representative Erik Fresen, respectively. The bills were filed after months of drafting and questions about what they would contain. Below, please find a detailed listing, as produced by the Miami Herald/St. Pete Times, of what is contained in the bills:

- Three resort casinos would be authorized in Miami-Dade and Broward, the two counties that now offer slot-machines gaming.
- In return for the exclusive licenses, casino operators must commit to investing at least \$2 billion on entertainment, convention center and resort complexes intended to draw tourists and high-rolling gamblers. The price tag to participate is \$50 million, refunded if the state rejects a company's bid.
- Casinos would pay 10 percent tax on net revenues. That is less than the 35 percent tax rate now imposed on the revenues of the state's eight pari-mutuels with slot machine licenses in South Florida.
- Casino space must be no more than 10 percent of the total square footage of the facility.
- Casino games would include slot machines, roulette wheels, craps, poker, blackjack, baccarat and other table games.
- The casino space would be segregated from other attractions, so that a visitor can attend the resort without ever having to see the gambling venues.
- Applicants for the "limited gaming" license would be judged based on their ability to "increase tourism, generate jobs, provide revenue to the local economy and provide revenue to the General Revenue Fund."
- The bidders would be scored based on a system that gives 35 percent weight to the proposal's design and location, 10 percent to the company's management expertise, 35 percent to the speed with which it can get its plans to market, 10 percent to its access to capital, and 10 percent to its community plan.
- Key employees of the casinos would have to pay a \$5,000 application fee for an occupational license and undergo an extensive background check. Suppliers would pay a \$25,000 license and each resort would pay a \$50,000 alcoholic beverage license.
- Casinos would be open 24 hours a day, every day of the year, and be allowed to serve alcohol during all of those hours.
- Resorts would have to prove financial strength and ability to "train and employ residents" including training of "low-income persons."

- A State Gaming Commission would be created to select the winning bidders. It would be headquartered in South Florida and have broad authority to not only issue the licenses but to investigate and issue subpoenas, take enforcement action, collect taxes and impose fees and penalties. It would be exempt from public disclosure rules for some financial data and would be allowed to hold some of its meetings in secret.
- The commission would serve as the head of the Department of Gaming Control, the state agency that replaces the current Division of Pari-mutuel wagering.
- The commission would be comprised of seven members with staggered four-year terms. They would be appointed by the governor and include an accountant with gaming experience and a veteran law enforcement officer. Three names would be nominated for each post by a nominating committee of legislators appointed by the House speaker and the Senate president.
- Commission members would be paid \$125,000 yearly and the chairman, named by the governor, would be paid \$135,000.
- Strict limits would be placed on who can serve on the commission, including a ban on banning anyone with a personal or financial relationship to any of the applicants or anyone who has been under indictment or been charged with a gambling violation or fraud.
- All casino owners and partners would have to undergo strict background checks, including financial screening.
- The Department of Gaming Control would contract with the Florida Department of Law Enforcement to assist in investigations and enforcement and contract with the Department of Revenue to assist in tax collection and investigation.

The House bill can be found at <http://www.flsenate.gov/Session/Bill/2012/0487>. The Senate bill can be found at <http://www.flsenate.gov/Session/Bill/2012/710>.

In terms of what happens next with the bills, they will be assigned to committees in both chambers. Senate President Mike Haridopolos has already stated that his chamber will have the opportunity to vote on the measure. House Speaker Dean Cannon has been historically anti-gaming, but it is unclear what his intentions are with regards to this legislation.

Aside from the two main bills, each sponsor filed a trust fund bill and public records bill on the issue. The bills will be listed in the next section of the report.

This week, Commissioner Rebeca Sosa, Chairwoman of the county's Economic Development and Social Services Committee hosted several of the stakeholders in the destination casino debate at the committee's October meeting. The discussion item was sponsored by Chairman Joe A. Martinez. Representatives from Genting's Resorts World Miami provided the committee with a video presentation of their vision for their resort. Representatives from Las Vegas Sands, Fountainbleau Hotel, and various pari-mutuels provided the committee with their thoughts on the gaming issue.

Chairman Martinez indicated that the commission may send a letter to the legislature outlining the county's concerns with regards to the gaming legislation, including mention of the lack of local control currently found in the bill.

Bills of Interest Filed This Week

Aside from the aforementioned gaming bills, below please find a list of bills filed this week of interest to Miami-Dade County:

- **HB 455, Criminal Offenders, Rep. Glorioso** : Replaces definition of "instant message name" with "Internet identifier"; provides that voluntary disclosure of specified information waives disclosure exemption for such information; requires disclosure of passport & immigration status information by registrants; requires specified national search of registration information regarding predators & offenders before appointment or employment of persons by government; revises age range applicable to provisions allowing removal of registration requirement in certain circumstances; revises eligibility for removal of requirement to register as sexual offender or sexual predator; revises definition of "risk assessment"; provides for electronic monitoring of certain persons; provides that certain conditions do not require oral pronouncement at sentencing & are standard conditions for certain offenders; requires court to hold defendant subject to registration as sexual offender or sexual predator without bail until first appearance; provides exception; provides that probation or community control period commences immediately upon release of offender from incarceration.
<http://www.flsenate.gov/Session/Bill/2012/0455>
- **HB 467, Game Promotion, Rep. Gonzalez** : Requires game promotion operator who provides electronic devices that reveal or display results of game promotion that offers certain prize amounts to file certain information with DACS; prohibits department from accepting filings from certain persons against whom there is criminal or civil adjudication or unsatisfied civil judgment for certain violations; requires game promotion operator to provide certain certifications regarding game promotion software & remit to department annual fees for each electronic device or computer terminal; prohibits use of mechanical or electromechanical reels in connection with game promotion. <http://www.flsenate.gov/Session/Bill/2012/0467>
- **HB 471, Monitoring Juvenile Offenders, Rep. Passidomo** : Authorizes use of specified portion of additional court cost for county juvenile electronic & GPS monitoring programs; provides that child who commits direct contempt of court or indirect contempt of valid court order may be placed on home detention with or without electronic or GPS monitoring; provides that at any time after child has been arrested for allegedly committing delinquent act & any time during pendency of case, child may be placed under restrictions by court, including electronic or GPS monitoring; authorizes court, upon motion of child or upon its own motion, within specified period, to suspend further execution of disposition & place child in probation program & require electronic or GPS monitoring; authorizes use of electronic or GPS monitoring program to enforce

specified restrictions on certain juvenile sexual offenders in community-based treatment alternatives. <http://www.flsenate.gov/Session/Bill/2012/0471>

- **HB 489, Trust Funds/Desination Resort Trust Fund/Department of Gaming Control, Rep. Fresen** : Creates Destination Resort Trust Fund within Department of Gaming Control; provides for purpose of trust fund; provides for future review & termination or re-creation of trust fund. <http://www.flsenate.gov/Session/Bill/2012/0489>
- **HB 503, Environmental Regulation, Rep. Patronis** : Creates, amends, & revises numerous provisions relating to: development, construction, operating, & building permits; permit application requirements & procedures, including waivers, variances, & revocation; local government comprehensive plans & plan amendments; programmatic general permits & regional general permits; permits for projects relating to surface water management systems, coastal construction, dredge & fill activities, inland multimodal facilities & commercial & industrial development, & mining activities; applicability of onsite sewage treatment & disposal system evaluation & assessment program; sanitary program surveys of certain water systems; uniform mitigation assessment method for activities in surface waters & wetlands & reassessment of mitigation banks; innocent victim petroleum storage system restoration, ambient air quality & water quality standards, & solid waste disposal; sale of unblended fuels for certain uses; deadlines for completion of certain fuel tank upgrades. <http://www.flsenate.gov/Session/Bill/2012/0503>
- **HB 507, Economic Development, Rep. Ray** : Requires Department of Economic Opportunity to designate director of manufacturing; provides responsibilities for director; revises provisions relating to tax credit program for capital investment by certain qualifying businesses; removes creation or retention of jobs as criteria for qualified project; requires capital investment of at least \$10 million as criteria for qualified project; increases period authorized for tax credit under program; creates new category of annual tax credit; provides additional annual credits for sales taxes & ad valorem taxes paid by certain qualifying businesses; provides tax credits for qualifying businesses located out of state; revises provisions relating to tax refund program for qualified target industry businesses; provides that certain capital investment qualifies target industry business for tax refund; creates Manufacturing Capital Investment Tax Refund Program within DEO; provides for amounts of capital investments for manufacturing businesses that are eligible for tax refunds; provides for application & approval process for qualified projects; authorizes Division of Strategic Business Development in DEO to adopt rules. <http://www.flsenate.gov/Session/Bill/2012/0507>
- **SB 658, Assisted Living Facilities, Sen. Wise** : Creating the Florida Assisted Living Quality Improvement Initiative Pilot Project; limiting the pilot project to specified area offices of the Agency for Health Care Administration; providing for development, in collaboration with the Medicaid Fraud Unit, of an interagency task force to conduct investigations of certain facilities and revoke licenses, suspend payments, and relocate residents for substantial noncompliance or failure to provide adequate care; authorizing the agency to impose a fine for transfers or discharges from a hospital to an assisted living facility that do not meet certain standards; providing conditions for a quality improvement team to terminate the operation of an assisted living facility; authorizing the

Department of Elderly Affairs to adopt rules and impose fees and requirements for providers of core training. <http://www.flsenate.gov/Session/Bill/2012/0658>

- **SB 684, Economic Development, Sen. Ring** : Requiring the Department of Economic Opportunity to designate a director of manufacturing; amending provisions relating to a tax credit program for capital investment by certain qualifying businesses; requiring a capital investment of at least \$10 million as a criteria for a qualified project; providing tax credits for qualifying businesses that are located out of state; providing that a capital investment of a specified amount qualifies a target industry business for the tax refund; creating the Manufacturing Capital Investment Tax Refund Program within the Department of Economic Opportunity; providing for amounts of capital investments for certain manufacturing businesses that are eligible for tax refunds; providing for the application and approval process for qualified projects; authorizing the Division of Strategic Business Development in the Department of Economic Opportunity to adopt rules. <http://www.flsenate.gov/Session/Bill/2012/0684>
- **SB 686, Ad Valorem Taxation, Sen. Bennett** : Revising the factors that a property appraiser must use in deriving the just valuation of property for the purposes of ad valorem taxation; requiring the Department of Revenue to adopt policies and procedures by rule to be used by property appraisers in proceedings before a value adjustment board. <http://www.flsenate.gov/Session/Bill/2012/0686>
- **SB 704, Building Construction and Inspection, Sen. Bennett** : Revising the authorized methods of sending notices to violators of local codes; amending s. 468.604, F.S.; authorizing a building code administrator or building official to approve the electronic filing of building plans and related documents; amending s. 489.105, F.S.; revising the definition of the term "demolish" for purposes of describing the scope of work of a contractor to include all buildings or residences, rather than buildings or residences of certain heights; amending s. 553.721, F.S.; allocating a portion of the funds derived from a surcharge on permit fees to the Florida Building Code Compliance and Mitigation Program; exempting certain buildings or structures used for hunting from the Florida Building Code. <http://www.flsenate.gov/Session/Bill/2012/0704>
- **SB 708, Ad Valorem Taxation, Sen. Norman**: Authorizing an active military combat duty grant based on the amount of ad valorem taxes paid on a homestead to be paid to certain service members who have served a specified minimum amount of active military combat duty; providing an exception to the minimum service requirements for a service member who is injured while on active duty; authorizing a disabled veteran grant to be paid to a disabled veteran in an amount based on the veteran's disability rating percentage; authorizing the unremarried surviving spouse of a disabled veteran to apply for the grant to which his or her spouse was entitled before his or her death; authorizing fallen hero grants based on the amount of ad valorem taxes paid on a homestead to be paid to the surviving spouse of a law enforcement officer, firefighter, or emergency medical technician who is killed in the line of duty. <http://www.flsenate.gov/Session/Bill/2012/0708>
- **SB 712, Destination Resort Trust Funds, Sen. Bogdanoff** : Creating the Destination Resort Trust Fund within the Department of Gaming Control; providing for the purpose

of the trust fund; providing for future review and termination or re-creation of the trust fund. <http://www.flsenate.gov/Session/Bill/2012/0712>

- **SB 714, Public Records/State Gaming Commission, Sen. Bogdanoff** : Providing an exemption from public records requirements for confidential and proprietary business information and trade secrets received by the State Gaming Commission; providing an exemption from public records requirements for information held that would reveal investigation techniques and procedures used by the State Gaming Commission; providing an exception to the exemption for other governmental entities having oversight or regulatory or law enforcement authority; providing penalties for an employee of the commission who violates the provisions of the act; providing for future review and repeal of the exemption under the Open Government Sunset Review Act; providing a statement of public necessity. <http://www.flsenate.gov/Session/Bill/2012/0714>
- **SB 720, Miami-Dade County Home Rule Charter, Sen. Garcia** : Proposing an amendment to Section 6 of Article VIII of the State Constitution to authorize amendments or revisions to the home rule charter of Miami-Dade County by special law approved by a vote of the electors; providing requirements for a bill proposing such a special law; authorizing the Miami-Dade County charter to provide for fixed term limits of commissioners. <http://www.flsenate.gov/Session/Bill/2012/0720>
- **SB 722, Autism, Sen. Garcia**: Creating the Autism Spectrum Disorder Study Committee to study autism spectrum disorder in families in which English is the second language; providing for membership, meetings, and duties; prohibiting committee members from receiving compensation for their services; authorizing certain funding for publications, subject to approval of the State Surgeon General; requiring a report to the Governor and Legislature; providing for expiration of the committee. <http://www.flsenate.gov/Session/Bill/2012/0722>
- **SB 724, Domestic Wastewater Discharged Through Ocean Outfalls, Sen. Diaz de la Portilla** : Postponing the dates by which domestic wastewater facilities must meet more stringent treatment and management requirements; providing exceptions; providing that certain utilities that shared a common ocean outfall on a specified date are individually responsible for meeting the reuse requirement; authorizing those utilities to enter into binding agreements to share or transfer responsibility for meeting reuse requirements; revising provisions authorizing the backup discharge of domestic wastewater through ocean outfalls; requiring the Department of Environmental Protection, the South Florida Water Management District, and affected utilities to consider certain information for the purpose of adjusting reuse requirements. <http://www.flsenate.gov/Session/Bill/2012/0724>
- **SB 730, Medicaid Managed Care Plans, Sen. Flores** : Requiring the Agency for Health Care Administration to establish per-member, per-month payments; substituting the Medicare Advantage Coordinated Care Plan for the Medicare Advantage Special Needs Plan; revising the definition of “eligible plan” to include certain Medicare plans; limiting the penalty that a plan must pay if it leaves a region before the end of the contract term; providing that certain Medicare plans are not subject to procurement requirements or plan limits; requiring dually eligible Medicaid recipients to be enrolled

in the Medicare plan in which they are already enrolled; revising the list of Medicare plans that are not subject to procurement requirements for long-term plans; revising the list of Medicare plans in which dually eligible Medicaid recipients are enrolled in order to receive long-term care. <http://www.flsenate.gov/Session/Bill/2012/0730>

Interim Committee Meetings

The Florida Legislature will convene next week for another round of interim committee meetings. They will not be meeting on Monday, meetings will begin on Tuesday. Most committees will be hearing presentations from departments or agencies under their jurisdiction. The following committees, however, will not be meeting at all: Senate Banking and Insurance, House Economic Affairs, House Judiciary, House Federal Affairs, Senate Community Affairs, House Agriculture and Natural Resources Appropriations, House Civil Justice, House Finance and Tax, and Senate Judiciary. The following issues of interest to Miami-Dade County will be taken up next week:

- SB 226 by Sen. Margolis, related to Disabled Parking Permits, will be heard on Tuesday at 10:30 am in the Senate Transportation Committee. This issue is included in Miami-Dade County's 2012 legislative agenda.

Tort Reform

A study released this week by the U.S. Chamber of Commerce, shows that reforming Florida's legal system could generate as many as 162,000 jobs statewide. The report was conducted by NERA Economic Consulting, a New York based firm, on behalf of the Chamber's Institute of Legal Reform. The report shows that, based on 2009 data, total tort costs impacted businesses by a total of \$12.5 billion.

While the report does not specify what measures should be taken to reform the system, it does indicate that reducing tort costs by as much as \$18.5 billion would increase employment by an estimated .73 percent and 1.98 percent, which translates into 59,000 to 162,000 jobs.

It is widely expected that medical malpractice reform will receive much attention during the upcoming session.

Medicaid waiver

Justin Senior, the acting Medicaid Director at the Agency for Health Care Administration, was informed this week by the federal government that Florida needed to apply for another temporary extension of the Medicaid 115 waiver because no agreement would be reached prior to the October 31 deadline on Florida's current temporary extension.

The Medicaid 115 waiver makes possible a mandatory managed care program in five Florida counties to continue and makes available \$1 billion to help pay the health care costs for the poor and uninsured through the Low Income Pool (LIP).

LIP is the primary source of disagreement between the state and the feds, as per Senior. The federal government has let AHCA know that it wants to eliminate all Medicaid supplemental funding programs in the country, including LIP, on December 31, 2013, on the even of the nationwide expansion of Medicaid to include those making 133 percent of the federal poverty level.

The waiver is necessary in order for the state to launch its statewide mandatory Medicaid managed-care program. Since the existing five-county pilot program and the new statewide program are not identical, the 115 waiver will need to be amended.