



January 17, 2018

**VIA ELECTRONIC MAIL
AND HAND DELIVERED**

The Honorable Travis Hutson, Chairman
Senate Regulated Industries Committee
314 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399-1100

Re: SB 840

Dear Chairman Hutson,

On behalf of No Casinos, Inc., I am writing to express our concerns about proposed gambling legislation (SB 840) under consideration by the Regulated Industries Committee. As currently drafted, SB 840 contains provisions that could expand gambling in unanticipated ways, as well as cost the State of Florida millions of dollars in the form of lost revenue.

Our first concern is with the portion of the bill dealing with so-called “fantasy contests.” As I testified at the December 7, 2017 meeting of the Regulated Industries Committee on SB 374, which contained similar language to SB 840, the language contained in this bill regarding fantasy contests is so vague that it could allow much more than traditional “season-long” fantasy leagues, or even so-called “daily fantasy sports.” Those seeking to expand gambling in our state have a history of exploiting any potential loophole and loose language in statute to introduce new games to their facility, to introduce new gambling machines to bars and truck stops, and to argue they should be eligible for certain types of games at their facilities. This vague language could open Florida to unforeseen gambling expansion with potentially damaging repercussions.

Second, reducing the state tax rate on slot machines will cost the state millions in revenue and breaks a promise made to Florida voters. During the 2004 election in which voters narrowly approved slot machines in existing pari-mutuel facilities in Miami-Dade and Broward counties, gambling operators repeatedly claimed the slots would generate “roughly \$500 million a year for our schools.” Slot machine revenue to the state has never approached this number. The Division of Pari-Mutuel Wagering’s annual report for FY 2015-2016 shows that the largest slot revenue came that year with \$187.9 million, or 37.5% of the promised total. Even though revenues never came close to promised totals, the Legislature cut the tax rate on slot machines from 50% to 35% beginning in FY 2010-2011. The slots operators’ promise then was that the state would recover revenue lost from the tax reduction in other areas such as construction of new facilities. In a February 9, 2017 presentation from the Office of Economic and Demographic Research ([link below](#)) concluded, “the underlying assumption was that activity would increase to the point where the rate change was revenue neutral by the fourth year—due to greater capital investments, promotions and prizes. Overall, net income would have had to increase by 43% for the change to have been revenue neutral. It did not.” There is no reason to believe the results of this tax rate reduction will be any different this time. This language is a giveaway to gambling operators that provides no benefits and additional burdens to ordinary Florida taxpayers.

The Honorable Travis Hutson
January 17, 2018
Page 2

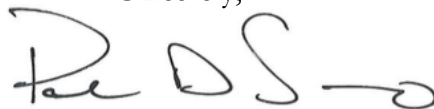
Third, while we do not support the racing of greyhounds and do not wish to see harm come to these animals, we do not believe that ownership of a pari-mutuel license entitles the owner to get whatever form of gambling becomes popular and abandon the form of gambling that is the constitutional basis for the existence of their operation. If pari-mutuel owners no longer wish to race greyhounds, or conduct other live races or Jai Alai exhibitions, they should relinquish their license and close their facilities.

Finally, we believe SB 840 proposes the wrong solution to so-called “designated player” games in pari-mutuel cardrooms. Rather than reversing a mistake made by the Division of Pari-Mutuel Wagering that a federal judge concluded violates the State’s compact with the Seminole Tribe, the bill codifies this compact violation into statute, thereby failing to meet the state’s obligations in the settlement agreement that attempts to resolve this matter. In fact, the staff analysis of SB 840 recognizes this and writes that the bill, “could impact the revenue sharing provisions of the 2010 Gaming Compact, as payments due to the State under the compact could cease.” (The Florida Senate Bill Analysis and Fiscal Impact Statement, January 16, 2018, page 29)

For these reasons, we urge you and the members of the Senate Regulated Industries Committee to vote NO on SB 840.

Thank you for your consideration and for your leadership.

- Sincerely,

A handwritten signature in black ink, appearing to read "Paul Seago", with a stylized flourish at the end.

Paul Seago
Executive Director
No Casinos, Inc.

REPORT LINK: (http://edr.state.fl.us/Content/presentations/gaming/GamingandSlots_2-9-17.pdf)

cc: The Honorable Dorothy Hukill, Vice Chair
The Honorable Lizbeth Benacquisto
The Honorable Randolph Bracy
The Honorable Jeff Brandes
The Honorable Oscar Braynon II
The Honorable Audrey Gibson
The Honorable Greg Steube
The Honorable Perry Thurston, Jr.
The Honorable Dana Young