



FLORIDA HORSEMEN BENEVOLENT & PROTECTIVE ASSOCIATION REPORT

2020 LEGISLATIVE SESSION SUMMARY

As the 2020 Session has officially come to a close, we want to first take the time to thank you for allowing us to represent the Florida Horsemen Benevolent and Protective Association (FHBPA). We are honored to be able to continue to advocate for your legislative priorities and be a part of promoting your industry. We are pleased to submit to you the following report on this year's gaming legislation activity.

For the last five years, the Legislature, Governor and Seminole Tribe have struggled to find compromise on a gaming deal to renew the State Compact. During the 2019 Legislative Session, a gaming bill was never filed, but the House and Senate were able to find agreement on the outlines of a plan with efforts led by Senate President Designate Wilton Simpson. The proposal included a 31-year Compact with the Tribe, allowed the Tribe to act as a "hub" for sports betting at their casinos and horse tracks, dog tracks and jai alai facilities. However, with Governor DeSantis having just entered office in 2019, discussions of a gambling deal were halted as the Governor sought to better understand the multitude of stakeholder issues before moving forward.

Discussions moved forward early in the 2020 Legislative Session, particularly concerning opportunities to allow sports betting, but the Seminole Tribe was absent from those conversations as the House and Senate worked to first find agreement between the chambers. Rigorous negotiations went on behind the scenes between House Speaker Oliva and Senate President Galvano, as well as Governor DeSantis. We met continuously with the Governor's office, House Speaker, Senate President, Chair Hutson, Chair Santiago, and members of the Gaming Control Subcommittee. Working with some of our industry partners within the thoroughbred industry we advocated against decoupling of thoroughbreds and for receipt of any type of purse pool proceeds.

Late in the Legislative Session the Seminole Tribe became part of the conversations with members of House and Senate Leadership, but conversations did not move quickly enough to conclude prior to sine die, given the complicated nature of the issue. Negotiations have been difficult as the Tribe continues to pursue exclusivity of designated player games and has also shown interest in online casinos.

Governor DeSantis has indicated the Legislature could convene for a special session on gaming, recognizing that significant progress has been made on an agreement, but not wanting to rush the process. Additional revenues from Tribe payments could be helpful in light of the potential impact to the State's budget by COVID-19. Over the summer, the Tribe made the decision to

cease providing the State with revenue sharing funds associated with the previous Compact – a loss of \$350 million annually to the state budget.

Similar to 2019, the 2020 Legislative Session never saw a gaming bill filed. However, from our work and countless conversations with House and Senate leadership, we understand the components of the discussed state offer on the Compact to have included:

- Allowing the Tribe to add craps and roulettes to its casino games, which now include slot machines and banked card games such as blackjack.
- Allowing the Tribe to have exclusive rights to offer online sports betting – players could place bets on the online sites from anywhere in the state using phones or computers. Permitting the Tribe to host online sports betting was believed to be a way to circumvent the 2018 Florida constitutional amendment requiring voter approval of an expansion on gambling. Voter approval is not required for gambling on tribal property since it is regulated by federal law.
- Permitting the Tribe to add one or two casinos in Broward or St. Lucie County.
- Authorizing pari-mutuels to continue to host designated player card games. This has been a point of concern for the Tribe in the past and was the rationale for the legal-dispute between the State and the Tribe that ended the previous Compact. A federal judge agreed that allowing pari-mutuels to offer designated player games was a violation of the 2010 Compact, which provided the Tribe with exclusivity over banked card games. However, the games are an important revenue source for pari-mutuels in Broward and Miami-Dade counties, as they are not able to offer slot machines.
- Allowing decoupling at horse tracks, while authorizing those facilities to offer other games, like slots or poker. This would have included decoupling of all facilities, including thoroughbred racing.
- Portability of pari-mutuel licenses was discussed, which could allow pari-mutuels to move within counties or even outside of counties in which they currently operate.
- Payment to the state by the Tribe of \$500 million in the first year and up to \$700 million in annual payments going forward.

With the 2020 Legislative Session now behind us, we will continue to advocate for FHBPA's priorities and make every effort to protect the thoroughbred industry in Florida. As we work towards a special session and the 2021 Legislative Session, we will be continuing to work with our industry partners, members of House and Senate leadership, and the Governor's office to promote exclusion of the thoroughbred industry in any decoupling, and the inclusion of the thoroughbred industry in any type of purse pool proceeds.