

NEWS OF NOTE

DECEMBER 2013

GAMING UPDATE

by: Steven Geller

The Florida Senate has concluded their last of 6 Statewide workshop hearings. These hearings were held across the State, with the specific purpose of hearing public and industry reactions to the multi-part Gambling Impact Study completed by Spectrum Gaming Group. The report can be viewed at http://www.leg.state.fl.us/gamingstudy/docs/FGIS_Spectrum_28Oct2013.pdf. The hearings began on October 23, 2013, in Broward County, Florida, and just concluded on December 9, 2013, in the Capitol in Tallahassee, Florida.

According to The News Service of Florida, Will Weatherford, the Speaker of the Florida House of Representatives, has said that he wants to put a Constitutional amendment on the 2014 ballot to give Florida voters input on the expansion of gambling. He is joined in this view by Representative Richard Corcoran, who is also slated to be a future Speaker of the Florida House of Representatives, in 2016-2018. It is not clear if this constitutional amendment will be required to ratify proposed changes which might be enacted in the 2014 session, or if the amendment would freeze in place legislation enacted in 2014. The News Service speculates that because of a possible Constitutional amendment, that gambling lobbyists will do everything that they can to get their desires included in the 2014 legislation. The News Service speculates that the 2014 legislation may also include an overall reform of gambling regulatory law, may try and limit the number of dormant pari-mutuel permits, may establish a Florida Gaming Commission, and may reduce tax rates for the Racinos located in South Florida. This proposal for a Constitutional amendment may have some problems, such as permanently placing in the Constitution technology which will certainly change in future years. Senate Gaming Committee Chairman Garrett Richter does not yet appear to be supportive of linking a Constitutional amendment to the 2014 legislation.

Florida Gaming Corporation, the parent company of Miami Jai-Alai, continues to file pleadings and fight in the United States Bankruptcy Court. Florida Gaming claims that it is profitable on an ongoing basis, but is in Bankruptcy because of past borrowing and purchase agreements. The complicated litigation is ongoing between Florida Gaming, its contract-purchaser, and the lenders involved.

On Tuesday, December 3, 2013, the Florida Supreme Court held oral arguments on the constitutionality of a 2009 law that authorized Daytona Beach Kennel Club to open a card room in Volusia County (the same County as the Kennel Club) without any live racing at the card room. According to the Daytona Beach News-Journal, the law was challenged by DeBary Real Estate Holdings LLC, the owner of a dormant Quarter Horse permit in Volusia, which has never opened. DeBary lost at the trial court level, but won at the 1st District Court of Appeals when the three judge panel ruled that the law was unconstitutional as a "special act", because in applied only to Kennel Clubs in Palm Beach and Volusia counties. The ruling has gone to the Florida Supreme Court because it declared a law unconstitutional. An attorney for Palm Beach Kennel Club, which would also be adversely affected by the ruling, argued that the DCA misinterpreted the law so as to give it a more restrictive effect than intended, thus leading the DCA to believe that the law was a "special act". A ruling is expected in several months.

If you have any questions regarding anything in this article, or about any gambling law issues, you can contact Mr. Geller at 954.491.1120 or e-mail him at steve.geller@gmlaw.com or contact your personal Greenspoon Marder Attorney.



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