



April 2, 2018

**VIA ELECTRONIC MAIL**

The Honorable Richard Corcoran, Speaker  
Florida House of Representatives

The Honorable Joe Negron, President  
Florida Senate

Dear Speaker Corcoran and President Negron:

I have recently read press reports that there is discussion of holding a special session on the issue of gambling in the hopes of coming up with a “deal.” If ever there was an issue that the legislature has already spent too much time, energy, intellectual capacity and political capital, it is gambling. And whenever this issue comes up in Tallahassee, negotiations between the chambers seem to be more focused on coming up with a “deal” that satisfies competing gambling interests than enacting solutions that are in the best interests of the people of Florida.

Some articles have indicated that the reason convening a special session is being considered is because there are concerns about a potential revenue loss if the Seminole Tribe does not keep making payments to the state for banked card games, now that the state has failed to meet a deadline to provide for strict enforcement related to “designated player games” at pari-mutuel facilities. The urgency of this matter is curious, since no facts have changed since the end of session that would now make this such an enormous priority that it could merit a call for a special session of the Legislature.

Most observers see this as a fictional crisis manufactured by gambling lobbyists who want you to reconvene the legislature so they can try to make one more run at a major expansion of gambling before the November elections, when Florida voters will likely approve Amendment 3.

But of even greater concern is that many people suggest a political fundraising benefit to holding a special session, given the gambling industry’s sordid reputation for seeking gambling approvals by making huge contributions to campaigns and electioneering committees. Their views on the matter were summed up by one pari-mutuel owner who recently told a reporter that if the Legislature didn’t pass a gambling bill to benefit his industry, “They’ll never see any of my money ever again,” the owner said. “Why bother?” I know it is not reflective of your intent, but their attitude seems to be that they are owed something because of their political contributions.

You can tell the gambling interests and assure the people of Florida that public policy is not for sale in Tallahassee by resisting gambling lobbyist pressure for a special session. Convening a special session that will be seen as a genuflection to the gambling industry would provide voters with a perfect illustration of why Amendment 3 is so badly needed.

The simplest way to ensure continued compact revenues would be for the state to take steps to comply with the consent agreement it entered into with the Seminole Tribe. At the very least, use your oversight authority and budgetary discretion to ask the Division to present to you a plan for vigorous enforcement. Ensure that they take whatever steps are available to them and have whatever resources are at their discretion and yours to do the job. At the very most, fixing this problem would require a one page bill. But only in the world of gambling legislation and the myriad of lobbyists who influence it would such an easy fix come at a price of expanding gambling throughout the state. Sadly, that is what any proposed “deal” has always included.

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I'd also like to add two other points to the discussion. First, it is not just my opinion, but proven history that revenue promises made by the pari-mutuel industry, and specifically their promises about slot machine revenue, simply can't be trusted. In 2004, Florida voters narrowly approved with 50.8% of the vote (before 60% was required for constitutional amendment passage) the amendment approving slot machines at seven existing facilities in Miami-Dade and Broward Counties. Voters were promised that these machines would generate a half-billion dollars per year in revenue for education. These revenues have never exceeded \$188 million. Then a few years ago these same pari-mutuels promised that if their tax rate was cut from 50% to 35%, revenue to the state would increase because of the capital improvements they would make, even convincing state revenue estimators. Last year your revenue estimators put forth a report showing that they were wrong, and these cuts resulted in less revenue to the state. Now they want their tax rate cut from 35% to 20%. Banking on pari-mutuels to provide a reliable source of revenue to the state is, pardon the pun, a bad bet.

Finally, I would like to bring to your attention how Amendment 3 would likely impact any expansion of gambling that you might pursue at this time. When we drafted the amendment, we considered the possibility that some gambling advocates might want to "beat the buzzer" with gambling expansion prior to passage of the amendment. The last thing we wanted was to have our own amendment trigger an expansion of gambling. So we wrote the amendment, not to govern "expansion" of gambling, but to set a constitutional standard for whether a form of casino gambling is authorized in the state. Under Amendment 3, in order for a form of casino gambling to be authorized in the state, it must be approved by Florida voters through statewide voter initiative.

As it turns out, the only existing forms of gambling that would be impacted by Amendment 3 are those that exist through loopholes, including the vexing designated player games and internet cafés. But if the legislature enacts new forms of casino gambling, such as gifting slot machine licenses to pari-mutuel operators outside of Miami-Dade and Broward Counties without voter approval through constitutional initiative, even before passage of the amendment, Amendment 3 was written to de-authorize any such expansion. Therefore, any revenue you might seek to add by authorizing additional gambling now is speculative at best. The analysis done of Amendment 3 by your revenue estimators sitting as the Financial Impact Estimating Conference is consistent with this assessment.

We appreciate your leadership, and the fact that the Legislature has, for the past seven years, resisted continued attempts to expand gambling. We ask you to resist this last ditch effort by gambling interests to force a major expansion of gambling upon our state.

Sincerely,



John G. Sowinski

President

No Casinos, Inc.