

REVENUE ESTIMATING CONFERENCE

Tax: Indian Gaming Revenue Sharing, Slot Machine Taxes, Pari-mutuel Taxes

Issue: Indian Gaming Compact, Slot Machine Tax Rate Change, New Slot Facilities, Banked Card Games, Thoroughbred Purse Pools and Permit Reduction Program

Bill Number(s): SB7072 and SB7074

Entire Bill

Partial Bill:

Sponsor(s): Committee on Regulated Industries

Month/Year Impact Begins: effective upon ratification of a new Compact, effective upon becoming law

Date of Analysis: February 23, 2016

Section 1: Narrative

a. Current Law:

2010 Indian Gaming Compact

The 2010 Indian Gaming Compact provides substantial exclusivity of certain Class III gaming to the Seminole Tribe while also requiring revenue sharing with the state. The Tribe was required to make a minimum guaranteed payment for each of the first five years of the Compact unless 12 percent of Net Win produced a larger amount, in which case a true-up payment was also required. Fiscal Year 2014-15 was the last year of the minimum guarantee payment period. True-up payments were generated in fiscal years 2012-13, 2013-14, and 2014-15, which means that revenue sharing exceeded the minimum guarantee. The 2010 Compact has a term of 20 years. However, authorization for banked card games expired July 31, 2015. The Compact states that if the banked card games provision expires, the Tribe will also cease revenue share payments for all gaming activity in Broward County. From the expiration date, the Tribe had a 90-day grace period in which to terminate operation of banked card games. Banked card games and Broward County revenue sharing are not included in the current Indian Gaming forecast past the 90-day grace period (ended October 31, 2015).

Slot Machine Facilities and Slot Machine Tax Rate

Slot machines are currently authorized at 8 pari-mutuel facilities located in Miami-Dade and Broward Counties. Taxes are imposed at a rate of 35% on slot machine net win. In statute, net win is defined to be "slot machine revenues." Each facility must also pay an annual license fee of \$2.0 million.

b. Proposed Change:

2015 Indian Gaming Compact

The 2015 Indian Gaming Compact signed by the Governor on December 7, 2015, would replace the 2010 Compact if it were to be ratified by the Florida Legislature, approved under the Federal Indian Gaming Regulatory Act, and noticed in the Federal Register. This analysis assumes that the 2015 Compact in its current form is not submitted to the federal government, as the provisions of this bill violate the terms of the 2015 Compact. Conceptually, it is possible that the 2015 Compact could be approved without agreement to the underlying Implementing Bill, but that circumstance would set up a series of actions that could result in the loss of 2010 Compact dollars.

For reference, the major provisions of the 2015 Compact are summarized here. The term of the 2015 Compact is from its effective date through June 30, 2036. The 2015 Compact reinstates the authority to operate banked card games at the 5 facilities that are currently operating banked card games and extends the authorization to the remaining two facilities, for the entire term of the new compact. The 2015 Compact also allows all seven of the Tribe's facilities to operate live table games such as craps and roulette. The 2015 Compact establishes a Guarantee Payment Period that is defined as the seven year period beginning July 1, 2017 and ending June 30, 2024. During the Guarantee Payment Period, the Tribe makes payments as specified, ranging from \$325 million in the first year to \$550 million in the last year, for a total of \$3 billion. At the end of the 7-year period, a true-up payment may be required if the amount due using the revenue share rates and brackets outlined in the 2015 Compact would have generated more than \$3 billion. The 2015 Compact also establishes an Initial Payment Period that is defined as the period beginning on the effective date of the Compact and ending June 30, 2017. During the Initial Payment Period, revenue share rates and brackets that are the same as the ones in the 2010 Compact will be used to determine payments to the state. The 2015 Compact also outlines additional gaming that would be permitted with Legislative authorization without any negative impacts to the state's payments from the Tribe. For example, the 2015 Compact would allow the Legislature to: authorize one additional slot facility in both Miami-Dade County and Palm Beach County, add blackjack to slots facilities in Miami-Dade and Broward in certain circumstances, reduce the tax rate for pari-mutuels to as low as 25% of slot machine net win, and decouple slots from other pari-mutuel activities such as greyhound racing, horse racing, and jai alai.

Slot Machine Tax Rate

The bill reduces the slot machine tax rate from 35% to 25%.

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Additional Slot Facilities

The bill authorizes slot machines at any licensed pari-mutuel facility in any county in which a majority of voters have approved slot machines in a countywide referendum, if such facility has conducted a full schedule of live racing for two consecutive calendar years immediately preceding its application for a slot machine license. There are six counties that have already held referendums in which voters approved slot machines in their area. The six counties are: Brevard, Gadsden, Hamilton, Lee, Palm Beach, and Washington.

The bill also authorizes an additional slot machine license in Miami-Dade County. Applicants for the new license must pay a non-refundable \$2 million application fee to be deposited in to the Pari-Mutuel Wagering Trust Fund. However, the successful recipient of the new license can credit the application fee against its first \$2 million slot machine license fee. If there is more than one applicant, the Division of Pari-Mutuel Wagering must evaluate applications based on specific criteria, and award the license to the applicant that gets the highest score.

Banked Blackjack

The bill authorizes blackjack at the eight existing slots facilities. It appears that blackjack would not be taxed, as the bill does not include any provisions on how it would be taxed or what tax rate would apply. It is not clear whether the intent is to allow these facilities to keep their existing cardrooms.

Permit Reduction Program

The Division of Pari-Mutuel Wagering is directed to purchase pari-mutuel permits under the newly created Permit Reduction Program, which would be funded with up to \$20 million from revenue share payments received from a gaming compact. The program expires on July 1, 2018, unless re-enacted.

Thoroughbred Purse Supplements

Effective upon becoming law, and through July 1, 2036, as a condition of licensure, a slot machine licensee that does not conduct a full schedule of live racing must pay the lesser of \$2 million or 3% of its slot machine revenues from the previous fiscal year to a slot machine licensee that conducts at least 160 days of thoroughbred racing. This provision is assumed to not affect state revenues since it appears that the required payment goes directly to the recipient licensee and does not reduce net win.

Effective July 1, 2018, the Thoroughbred Purse Supplement program is created in the Division of Pari-mutuel Wagering, which would be funded with up to \$20 million annually from revenue share payments received under a new gaming compact. The funds would be distributed on a pro-rata basis to qualified pari-mutuel permit holders who would use the money to supplement their live racing purses.

Severability

The provisions of this bill are not severable. A new compact must be approved in order for the other provisions related to slots and pari-mutuels to become law.

Section 2: Description of Data and Sources

2010 Gaming Compact, 2015 Gaming Compact

December 2015 Indian Gaming Revenue Estimating Conference

December 2015 Slot Machine Tax Revenue Estimating Conference

Senate Staff Analysis for SB7072

Kentucky Gaming and Oregon Gaming Commission websites

Section 3: Methodology (Include Assumptions and Attach Details)

2015 Indian Gaming Compact

This analysis assumes that the 2015 Compact that was signed by the Governor on December 7, 2015 is not approved in its current form. In order to estimate a fiscal impact for the bill, this analysis assumes that the state is able to negotiate a new compact with the Tribe. This equates to the current forecast for Indian Gaming which only includes revenue sharing from banked card games through October 31, 2015. The provisions of this bill related to additional slot facilities outside of Miami-Dade, Broward, and Palm Beach counties would violate the terms of both the 2015 Compact and the 2010 Compact, as would the provisions related to Banked Blackjack.

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Slot Machine Tax Rate

To determine the fiscal impact of the reduction in the slot tax rate, slot machine tax revenues were calculated at the new rate of 25% based on net win in the current forecast and compared to revenues projected at the current rate of 35%.

Additional Slot Facilities

This analysis assumes that pari-mutuel facilities located in the six counties that have already approved slot machines by referendum will apply for and be granted slot machine licenses and that the state will begin to receive revenues from the new slot machine facilities beginning in Fiscal Year 2017-18.

The estimated revenue generated from the new slot machine facilities is partially offset by losses in slot machine tax revenue from existing slot facilities in the state, as well as losses in sales tax due to foregone non-gaming purchases.

Severability

The provisions of this bill are not severable. The “Total Impact” table below represents the impact that would occur if the bill passes and a compact is ratified that would generate the same revenues as the 2010 Compact.

Other

Additional changes provided in SB7072 related to pari-mutuel wagering (such as de-coupling and related tax rate changes) are addressed in a separate impact analysis. Also, the conference previously adopted a positive indeterminate impact estimate for the Lottery point-of-sale terminals.

Section 4: Proposed Fiscal Impact

The tables below display each component of the fiscal impact of this bill as well as summary tables for the impacts to each fund – EETF, PMWTF, and GR. In addition, there are four total impact scenarios that vary depending on whether or not a new compact is approved.

The column on the far right-hand side of each table labeled “Consensus” represents what the Conference believes is the most likely scenario for each component. The estimates in the “Consensus” column reflect the impact for each fiscal year but not necessarily the receipt of revenues in state accounts. For example, slot tax revenues are lagged by one month, so each year reflects 1/12th from the prior year and 11/12^{ths} from the current year. Those types of adjustments have not yet been incorporated into the cash impact.

Table 1. Slot Machine Tax Rate Reduction for Existing Facilities (EETF)

	High		Middle		Low		Consensus	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2016-17	(55.8)	(55.8)	(55.8)	(55.8)	(55.8)	(55.8)	(55.8)	(55.8)
2017-18	(56.8)	(56.8)	(56.8)	(56.8)	(56.8)	(56.8)	(56.8)	(56.8)
2018-19	(57.6)	(57.6)	(57.6)	(57.6)	(57.6)	(57.6)	(57.6)	(57.6)
2019-20	(58.4)	(58.4)	(58.4)	(58.4)	(58.4)	(58.4)	(58.4)	(58.4)
2020-21	(59.2)	(59.2)	(59.2)	(59.2)	(59.2)	(59.2)	(59.2)	(59.2)

Table 2. New Slot Facilities- Six Referendum Counties (EETF)

	High		Middle		Low		Consensus	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2016-17	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2017-18	52.8	105.7	47.7	95.4	44.3	88.7	39.2	78.4
2018-19	107.3	107.3	96.8	96.8	90.0	90.0	79.6	79.6
2019-20	109.1	109.1	98.4	98.4	91.5	91.5	80.9	80.9
2020-21	110.6	110.6	99.8	99.8	92.8	92.8	82.1	82.1

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Table 3. New Slot Facility- Miami-Dade (EETF)

	High		Middle		Low		Consensus	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2016-17	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2017-18	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2018-19	3.8	15.4	2.3	9.3	1.1	4.3	0.8	1.6
2019-20	15.3	15.3	9.4	15.3	4.4	4.4	3.3	3.3
2020-21	15.9	15.9	9.6	15.9	4.5	4.5	3.3	3.3

Table 4. Total EETF Impact (Sum of Tables 1, 2 & 3)

	High		Middle		Low		Consensus	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2016-17	(55.8)	(55.8)	(55.8)	(55.8)	(55.8)	(55.8)	(55.8)	(55.8)
2017-18	(3.9)	48.9	(9.1)	38.6	(12.4)	31.9	(17.6)	25.8
2018-19	53.5	65.1	41.5	48.5	33.5	36.7	22.8	25.3
2019-20	66.3	66.3	49.5	49.5	37.5	37.5	25.8	25.8
2020-21	67.3	67.3	50.2	50.2	38.1	38.1	26.2	26.2

Table 5. Slot License Fees (PMWTF)

	High		Middle		Low		Consensus	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2016-17	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2017-18	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
2018-19	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
2019-20	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
2020-21	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0

Table 6. Banked Blackjack (PMWTF)

	High		Middle		Low		Consensus	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2016-17	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2017-18	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2018-19	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2019-20	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2020-21	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)

Table 7. Miami-Dade Application Fee (PMWTF)

	High		Middle		Low		Consensus	
	Cash	Recurring	Cash	Recurring	Recurring	Recurring	Cash	Recurring
2016-17	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
2017-18	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2018-19	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2019-20	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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Table 8. Total PMWTF Impact (Sum of Tables 5, 6 & 7)

	High		Middle		Low		Consensus	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2016-17	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
2017-18	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
2018-19	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
2019-20	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
2020-21	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0

Table 9. Diverted Sales Tax from new slots facilities in 6 referendum counties (GR)

	High		Middle		Low		Consensus	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2016-17	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2017-18	(12.1)	(24.1)	(11.0)	(22.0)	(10.4)	(20.9)	(9.2)	(18.4)
2018-19	(24.5)	(24.5)	(22.4)	(22.4)	(21.2)	(21.2)	(18.7)	(18.7)
2019-20	(24.9)	(24.9)	(22.8)	(22.8)	(21.6)	(21.6)	(19.0)	(19.0)
2020-21	(25.3)	(25.3)	(23.1)	(23.1)	(21.9)	(21.9)	(19.3)	(19.3)

Table 10. Diverted Sales Tax from new slots facility in Miami-Dade (GR)

	High		Middle		Low		Consensus	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2016-17	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2017-18	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2018-19	(0.9)	(3.5)	(0.5)	(2.1)	(0.3)	(1.0)	(0.2)	(0.4)
2019-20	(3.6)	(3.6)	(2.2)	(2.2)	(1.0)	(1.0)	(0.8)	(0.8)
2020-21	(3.6)	(3.6)	(2.2)	(2.2)	(1.0)	(1.0)	(0.8)	(0.8)

Table 11. Permit Reduction Program (FY16-17) and Thoroughbred Purse Supplement (FYs18-19 thru 20-21) (GR)

	High		Middle		Low		Consensus	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2016-17	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)
2017-18	0.0	(20.0)	0.0	(20.0)	0.0	(20.0)	0.0	(20.0)
2018-19	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)
2019-20	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)
2020-21	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)

Table 12. Revised Indian Gaming Compact (GR)

	High		Middle		Low		Consensus	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2016-17	+/-	+/-	+/-	+/-	+/-	+/-	+/-	+/-
2017-18	+/-	+/-	+/-	+/-	+/-	+/-	+/-	+/-
2018-19	+/-	+/-	+/-	+/-	+/-	+/-	+/-	+/-
2019-20	+/-	+/-	+/-	+/-	+/-	+/-	+/-	+/-
2020-21	+/-	+/-	+/-	+/-	+/-	+/-	+/-	+/-

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Table 13. Total General Revenue Impact (Sum of Tables 9, 10, 11 & 12)

	High		Middle		Low		Consensus	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2016-17	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)
2017-18	(12.1)	(24.1)	(11.0)	(22.1)	(10.4)	(21.0)	(9.2)	(18.4)
2018-19	(45.4)	(48.0)	(42.9)	(44.5)	(41.4)	(42.2)	(38.8)	(39.5)
2019-20	(48.5)	(48.5)	(45.0)	(48.5)	(42.6)	(48.5)	(39.8)	(39.8)
2020-21	(48.9)	(48.9)	(45.3)	(48.9)	(42.9)	(48.9)	(40.1)	(40.1)

Table 14. Deactivated Permits

	High		Middle		Low		Consensus	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2016-17	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2017-18	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2018-19	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2019-20	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2020-21	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)

Table 15. Construction-Related Sales Tax

	High		Middle		Low		Consensus	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2016-17	**	**	**	**	**	**	**	**
2017-18	**	**	**	**	**	**	**	**
2018-19	**	**	**	**	**	**	**	**
2019-20	**	**	**	**	**	**	**	**
2020-21	**	**	**	**	**	**	**	**

Table 16. Total Impact Scenario 1: Compact Approved, All Facilities Open (EETF, PMWTF, and GR)

	High		Middle		Low		Consensus	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2016-17	(73.8)	(73.8)	(73.8)	(73.8)	(73.8)	(73.8)	(73.8)	(73.8)
2017-18	(4.0)	36.7	(8.1)	28.5	(10.9)	23.0	(14.8)	19.4
2018-19	20.1	29.0	(10.6)	15.9	4.1	6.5	(4.1)	(2.2)
2019-20	31.8	31.8	18.5	18.5	8.9	8.9	0.0	0.0
2020-21	32.4	32.4	18.9	18.9	9.2	9.2	0.2	0.2

Table 17. Total Impact Scenario 2: New Compact Approved, Only Referendum Counties Open (EETF, PMWTF, and GR)

	High		Middle		Low		Consensus	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2016-17	(75.8)	(75.8)	(75.8)	(75.8)	(75.8)	(75.8)	(75.8)	(75.8)
2017-18	(4.0)	36.7	(8.1)	28.5	(10.9)	23.0	(14.8)	19.4
2018-19	17.2	17.2	8.8	8.8	3.2	3.2	(4.7)	(4.7)
2019-20	17.7	17.7	9.2	9.2	3.6	3.6	(4.5)	(4.5)
2020-21	18.1	18.1	9.5	9.5	3.8	3.8	(4.4)	(4.4)

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Table 18. Total Impact Scenario 3: New Compact Denied (EETF, PMWTF, and GR)

	High		Middle		Low		Consensus	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2016-17	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2017-18	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2018-19	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2019-20	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Table 19. Total Impact Scenario 4: New Compact Approved, Implementing bill immediately violates the new compact, Results in Loss of Revenue Sharing under the 2010 Compact as well (GR)

	High		Middle		Low		Consensus	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2016-17	(126.2)	(126.2)	(126.2)	(126.2)	(126.2)	(126.2)	(126.2)	(126.2)
2017-18	(124.4)	(124.4)	(124.4)	(124.4)	(124.4)	(124.4)	(124.4)	(124.4)
2018-19	(126.4)	(126.4)	(126.4)	(126.4)	(126.4)	(126.4)	(126.4)	(126.4)
2019-20	(128.3)	(128.3)	(128.3)	(128.3)	(128.3)	(128.3)	(128.3)	(128.3)
2020-21	(130.3)	(130.3)	(130.3)	(130.3)	(130.3)	(130.3)	(130.3)	(130.3)

List of affected Trust Funds:

General Revenue (GR)

Education Enhancement Trust Fund (EETF)

Pari-mutuel Wagering Trust Fund (PMWTF)

Section 5: Consensus Estimate (Adopted: 02/23/2016): The Conference analyzed SB 7074 (the Compact ratification) and SB 7072 (the associated implementing bill) together since they share linked effective dates that are contingent on the passage of both bills and compact approval from the federal government. Because each bill contains provisions that contemplate a significant renegotiation of the Compact executed by the Governor and the Tribe on December 7, 2015, the final impact to the state from the interaction of the two bills is currently unknown. The revenue share payments from the Tribe to the State of Florida will likely be adjusted to reflect the new provisions. It is unclear whether the outcome would be more than, less than, or equal to the amounts contemplated in the forecast for Indian Gaming Revenues adopted by the Revenue Estimating Conference on December 2, 2015. As a result, the Conference conceptually agreed to estimates for the specific components of the implementing bill related to the (1) Chapter 551 changes, (2) new distributions from the Compact revenues, and (3) the slots tax rate reduction, but adopted “+/- Indeterminate” for the impact of the bills overall.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2016-17	+/-	+/-	+/-	+/-	+/-	+/-	+/-	+/-
2017-18	+/-	+/-	+/-	+/-	+/-	+/-	+/-	+/-
2018-19	+/-	+/-	+/-	+/-	+/-	+/-	+/-	+/-
2019-20	+/-	+/-	+/-	+/-	+/-	+/-	+/-	+/-
2020-21	+/-	+/-	+/-	+/-	+/-	+/-	+/-	+/-

CONCEPTUAL IMPACT ASSUMING 6 REFERENDUM COUNTIES AND SPECIAL LICENSE FOR MIAMI-DADE, PLUS MACHINES ONLY LIMITED BY CURRENT 2000 STATUTORY CAP:

Educational Enhancement Trust Fund		Pari-mutuel Wagering Trust Fund		General Revenue Fund	
Six Referendum Counties	Low	Six Referendum Counties Video	Low	Six Ref Counties Diverted Sales Tax	Low
2016-17	85,168,222	2016-17	-	2016-17	(18,072,030)
2017-18 (1/2 Year)	43,393,209	2017-18	-	2017-18 (1/2 Year)	(9,207,699)
2018-19	88,088,215	2018-19	-	2018-19	(18,691,629)
2019-20	89,585,714	2019-20	-	2019-20	(19,009,387)
2020-21	90,839,914	2020-21	-	2020-21	(19,275,518)
Miami-Dade New Facility Slots	Low	Miami-Dade New Facility Video	Low	Miami-Dade Diverted Sales Tax	Low
2016-17 (net slots tax increase)	3,135,701	2016-17	-	2016-17 (new gaming spend)	(739,546)
2017-18 (net slots tax increase)	3,195,279	2017-18	-	2017-18 (new gaming spend)	(753,597)
2018-19 (1/4 Year)	810,802	2018-19	-	2018-19 (1/4 Year)	(191,225)
2019-20 (net slots tax increase)	3,298,343	2019-20	-	2019-20 (new gaming spend)	(777,905)
2020-21 (net slots tax increase)	3,344,520	2020-21	-	2020-21 (new gaming spend)	(788,795)
Six Ref Counties: Diverted Slots	Low	Slot License Fees	Low	Permit Reduction Program	Low
2016-17	(8,210,970)	2016-17	-	2016-17	(20,000,000)
2017-18 (1/2 Year)	(4,183,489)	2017-18	12,000,000	2017-18	-
2018-19	(8,492,484)	2018-19	12,000,000	2018-19	-
2019-20	(8,636,856)	2019-20	14,000,000	2019-20	-
2020-21	(8,757,772)	2020-21	14,000,000	2020-21	-
Additional Referendum Counties	Low	Banked Blackjack (Current 8)	Low	Thoroughbred Purse Supplement	Low
2016-17	0 / + IND	2016-17 (net)	- IND	2016-17	-
2017-18	0 / + IND	2017-18 (net)	- IND	2017-18	-
2018-19	0 / + IND	2018-19 (net)	- IND	2018-19	(20,000,000)
2019-20	0 / + IND	2019-20 (net)	- IND	2019-20	(20,000,000)
2020-21	0 / + IND	2020-21 (net)	- IND	2020-21	(20,000,000)
Slots Tax Rate Reduction	Low	Miami-Dade Special License	Low	Compact Change:	Low
2016-17	(55,827,402)	2016-17	2,000,000	2016-17	+ / - IND
2017-18	(56,776,939)	2017-18	-	2017-18	+ / - IND
2018-19	(57,583,985)	2018-19	-	2018-19	+ / - IND
2019-20	(58,411,977)	2019-20	-	2019-20	+ / - IND
2020-21	(59,200,272)	2020-21	-	2020-21	+ / - IND
		Deactivated Permits	Low	Construction-Related Sales Tax	Low
		2016-17	0 / - IND	2016-17	+ IND
		2017-18	- IND	2017-18	+ IND
		2018-19	- IND	2018-19	+ IND
		2019-20	- IND	2019-20	+ IND
		2020-21	- IND	2020-21	+ IND
Total EETF Impact	Low	Total PMWTF Impact	Low	Total General Revenue Impact	Low
2016-17	(55,827,402)	2016-17	2,000,000	2016-17	(20,000,000)
2017-18	(17,567,219)	2017-18	12,000,000	2017-18	(9,207,699)
2018-19	22,822,548	2018-19	12,000,000	2018-19	(38,882,854)
2019-20	25,835,224	2019-20	14,000,000	2019-20	(39,787,291)
2020-21	26,226,390	2020-21	14,000,000	2020-21	(40,064,313)

NOTE: Yellow highlighting not included in above-the-line totals (no activity); brown highlighting is included.

COMPACT APPROVED; ONLY SIX REFERENDUM COUNTIES OPEN

NET IMPACT: All Funds	Low
2015-16	-
2016-17	(75,827,402)
2017-18	(14,774,918)
2018-19	(4,679,884)
2019-20	(4,472,505)
2020-21	(4,393,648)
5-YR TOTAL	(104,148,357)

COMPACT APPROVED; SUBMITTED WITHOUT AGREEMENT TO IMPLEMENTING LAW

NET IMPACT: All Funds	Low
2015-16	-
2016-17	(126,200,000)
2017-18	(124,400,000)
2018-19	(126,400,000)
2019-20	(128,300,000)
2020-21	(130,300,000)
5-YR TOTAL	(635,600,000)

COMPACT APPROVED; ALL IDENTIFIED FACILITIES OPEN

NET IMPACT: All Funds	Low
2015-16	-
2016-17	(73,827,402)
2017-18	(14,774,918)
2018-19	(4,060,307)
2019-20	47,933
2020-21	162,076
5-YR TOTAL	(92,452,617)

COMPACT DENIED

NET IMPACT: All Funds	Low
2015-16	-
2016-17	-
2017-18	-
2018-19	-
2019-20	-
2020-21	-
5-YR TOTAL	-

KEY ASSUMPTIONS...

1. Only four ways to generate the Gaming Spend:
 - New Visitors to the state coming solely because of the new opportunities to gamble (100% new money) --- assume no impact associated with the Senate Bill.
 - Current Visitors who gamble as an incidental part of their trips (100% displacement of sales tax or Indian Gaming expenditures) --- assume a small number of domestic visitors do this from money otherwise subject to sales tax.
 - Florida resident travelers who otherwise would have gone somewhere else in Florida (100% sales tax displacement) or outside the state to gamble (100% new money) --- assume a small number do this.
 - Florida local residents (100% displacement of sales tax, Indian Gaming or pari-mutuel-based slots expenditures) --- assume 90% from money otherwise subject to the sales tax and 10% from pari-mutuel-based slots facilities.

2. Use 2014 visitor data and population (plus a scalar for the three North Florida counties) to develop a total impact for the six referendum counties and then split the gaming spend among the counties using this information and the number of hotel / motel rooms. Develop future impacts by using the growth rates adopted for the pari-mutuel-based slots facilities. Assume the new facilities open in the second half of FY 2017-18 due to fairly extensive construction and licensure requirements.

3. Develop the new Miami-Dade facility as a factor of Palm Beach beginning in the last quarter of FY 2018-19, assuming significant cannibalization from the nearby concentration of pari-mutuel-based slots facilities and Indian Gaming. This assumption embeds a small number of tourists.

4. Because the activity is untaxed and considered a better gaming option, assume Banked Blackjack cannibalizes existing card games.

5. Assume no other counties pass a referendum during the forecast horizon.

6. Assume four possible outcomes relative to the Compact since the two separate bills (SB 7072 and SB 7074) are linked:
 - Compact renegotiated to preserve at least the existing forecast and is subsequently approved; all identified facilities open.

- Compact renegotiated to preserve at least the existing forecast and is subsequently approved; only the facilities in the six referendum counties open.
- Compact is denied by the federal government, and the Implementing Law never takes effect.
- Compact is renegotiated only to address the Fantasy Sports provision; it is submitted and approved without agreement on the Implementing Bill.
 - Per requirements of the Section 44, both bills pass and are allowed to become law by the Governor.
 - Agreement cannot be reached on the Implementing Bill, but can be reached on Fantasy Sports.
 - Because the Compact has been ratified by SB 7074 and met the requirements contained in that bill, the Compact is submitted and approved.
 - The Implementing Bill triggers dispute-related provisions in the new Compact (page 45) that initiate a period for the Legislature to cure the problem.
 - If the Legislature does not, all revenue share payments cease.
- Impact on the Compact is ultimately + / - Indeterminate.

