

Gaming Compact: A Financial Comparison

Select Committee on
Seminole Indian Compact Review

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Presented by:



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Key Financial Drivers

- Market Share and Competition
 - Number of Locations?
 - Geographic Setting?
 - Competitive Advantages or Disadvantages?
- Types of Games
 - Banked Card Games?
 - Roulette or Roulette-style games and craps or craps-style games?
- Conversion Period from Class II to Class III
- Payment Structure, Terms and Stream
- Recipient of the Dollars



Compact Provisions in SB 788

SB 788	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
	Cash	Cash	Cash	Cash
<i>General Revenue</i>	0.0	0.0	0.0	0.0
<i>State Trust (EETF)</i>	289.0	171.0	171.0	171.0
Total State Impact	289.0	171.0	171.0	171.0
Total Local Impact	3.4	5.1	5.1	5.1
Total Impact (millions)	292.4	176.1	176.1	176.1

Consensus Estimate adopted in June 2009; however, displayed as “Indeterminate” on the official *Measures Affecting Revenue* due to the contingent nature of the law.



Major Elements of EOG Proposal

- Extension of certain banked card games to all seven facilities instead of two (Broward and Hillsborough).
- 30-month freeze at \$12.5 million per month.
- Once it begins, split revenue-sharing structure with different terms.
- Longer conversion period from Class II to Class III.
- Local share (3%) drawn from the State share.



EOG Proposal – “Unofficial”

EOG Proposal	FY 2009-10 Cash	FY 2010-11 Cash	FY 2011-12 Cash	FY 2012-13 Cash
<i>General Revenue</i>	0.0	0.0	0.0	0.0
<i>State Trust (EETF)</i>	272.0	145.5	158.3	235.9
Total State Impact	272.0	145.5	158.3	235.9
Total Local Impact	3.0	4.5	4.9	7.3
Total Impact (millions)	275.0	150.0	163.2	243.2

An “unofficial” estimate developed by the Legislative Office of Economic and Demographic Research, assuming the EOG Proposal was effective on the same date as SB 788. The estimate is based on prior conference results regarding net wins and banked card games, reported gaming revenue forecasts, and EDR research on gaming and resort operations.



Comparison of State Dollars

STATE DOLLARS AVAILABLE TO EETF (millions)

	SB 788	EOG Proposal	Difference
FY 2009-10	289.0	272.0	-17.0
FY 2010-11	171.0	145.5	-25.5
FY 2011-12	171.0	158.3	-12.7
FY 2012-13	<u>171.0</u>	<u>235.9</u>	<u>64.9</u>
Total	<u>802.0</u>	<u>811.7</u>	<u>9.7</u>

The EOG Proposal has negative numbers in the first three years primarily due to the 30-month freeze at \$12.5 million per month, but it gains in the out years because of the expansion of banked card games to additional facilities. The result over this period: 1.2% difference.



Capacity Losses...

- While no dollars are directly associated with the additional elements of exclusivity granted by the EOG Proposal, they are not costless.
- To the extent SB 788 allowed capacity for future gambling expansions that are no longer allowed under the EOG Proposal, the tax base is reduced --- resulting in a potential loss to the state that cannot be quantified.

