

# DONORS DOUBLE DOWN IN GAMING DEBATE

By Tyler Evilsizer

### NATIONAL INSTITUTE ON MONEY IN STATE POLITICS

## JUNE 24,2009



This publication was made possible with support from:

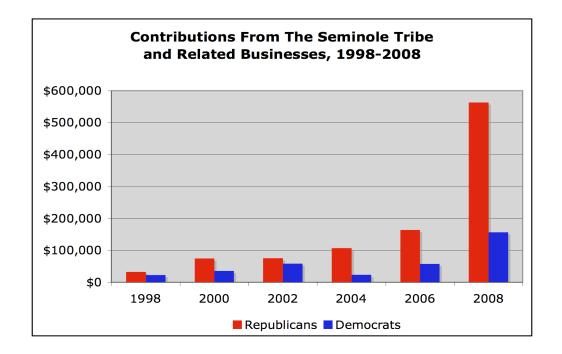
Ford Foundation, Government Performance and Accountability Open Society Institute, Transparency and Integrity Foundation to Promote Open Society The Pew Charitable Trusts, State Policy Initiatives Rockefeller Brothers Fund, Program on Democratic Practice Sunlight Foundation

833 NORTH LAST CHANCE GULCH, SECOND FLOOR • HELENA, MT • 59601 PHONE 406-449-2480 • FAX 406-457-2091 • E-MAIL institute@statemoney.org www.followthemoney.org ON THE FINAL DAY OF THE 2009 LEGISLATIVE SESSION, FLORIDA LAWMAKERS PASSED A LAW to expand gambling in the state and offer a new gambling compact to the Seminole Tribe, overcoming a legislature which has "resist[ed] gambling expansion for decades."<sup>1</sup> The bill was signed by Gov. Crist on June 15. The Seminole Tribe operates seven casinos in Florida and owns the restaurant chain Hard Rock Cafe. Under the new agreement, the Seminole Tribe—which has

been seeking state approval for Las Vegas-style slot machines for years—would gain the exclusive right to operate slot machines outside of Miami-Dade and Broward counties, and to run card games like blackjack and baccarat.<sup>2</sup> In exchange, the Seminole Tribe would pay the state at least \$150 million per year for the next 15 years, a tempting offer to legislators looking to balance a budget facing a \$6 billion budget shortfall.<sup>3</sup> The 105-page bill also makes a number of other changes not limited to the tribe, which include permitting no-limit poker and paving the way to reopen the historic Hialeah racetrack.

While the difficult economic situation may have helped the bill's odds, another factor that changed from previous years is political contributions. The Seminole Tribe and related businesses gave \$720,000 in 2008, more than their combined giving during the past 10 years and three times more than it gave in 2006.

The Seminole Tribe and related businesses gave \$720,000 in 2008, more than its combined giving during the past 10 years and three times more than it gave in 2006



<sup>&</sup>lt;sup>1</sup> Mary Ellen Klas, "State Lawmakers OK New Deal on Gambling," *Miami Herald*, May 9, 2009, available from http://www.miamiherald.com/news/florida/story/1039484.html, accessed May 11, 2009. <sup>2</sup> Ibid.

<sup>&</sup>lt;sup>3</sup> Anthony Cormier, "Florida's New Gambling Landscape," *Sarasota Herald-Tribune*, May 18, 2009, http://www.heraldtribune.com/article/20090518/ARTICLE/905181039/-1/NEWSSITEMAP, accessed June 1, 2009.

The Seminole Tribe of Florida gave \$550,500 in 2008, which represents 87 percent of the contributions given by Native American tribes in Florida. An additional \$169,733 was given by affiliated groups Seminole Boxing & Promotions, and Seminole Gaming.

Since state law prohibits donors from giving more than \$1,000 directly to state candidates,<sup>4</sup> the tribe and its affiliates gave 97 percent of their 2008 contributions to the state's two state political parties: \$544,733 to Republicans and \$152,000 to Democrats.

Most of the money given directly to candidates (81 percent) went to races in the House, the legislative chamber "which has been historically anti-gambling."<sup>5</sup> Republicans, who are the majority party and who voted to oppose the gambling bill more than Democrats, were favored monetarily by a 4-to-1 margin. Overall, winners received 94 percent of the money, and incumbents received 62 percent.

In an 82–37 vote,<sup>6</sup> the House voted to approve the gambling compromise bill. All but 3 Democrats voted for the bill, and 41 of 76 Republicans voted for it.

The Seminole Tribe gave \$500 each to 35 state representatives—24 who voted for the final gaming compromise, 11 who voted against it.

The bill passed the Senate 31–9, with 13 of 14 Democrats voting for the bill and 18 of 26 Republicans. Eight of the nine senators who received money from the Seminoles voted for the compact.

In 2008, the Seminole Tribe gave 97 percent of their campaign contributions to the state's two state political parties: \$544,733 to Republicans and \$152,000 to Democrats

Even though the bill offers the tribe new lucrative slot machine gaming, as a compromise between the House and Senate it scales back some of the tribe's current gaming operations. The tribe would give up table games at three of its casinos. (The original Senate bill allowed them at all seven casinos.) Eric Eikenberg, a spokesperson for the governor's office, explained the compact's premise was the opportunity to limit expansion of gambling in Florida while allowing Seminole gaming to grow.<sup>7</sup>

Although the bill was signed into law by the governor, it now must be approved by the Seminole Tribe before taking effect. Negotiations between the governor's office and the Seminole Tribe must be completed by August 31. It is likely that the Legislature would then hold a one-day special session to approve the negotiated compact.<sup>8</sup>

<sup>&</sup>lt;sup>4</sup> "Contributions to Candidates," *National Conference of State Legislatures*, March 2009, available from http://www.ncsl.org/programs/legismgt/about/2008\_Contrib\_Candidates.htm, accessed March 17, 2009.

<sup>&</sup>lt;sup>5</sup> "Gambling Bill Passes Florida Legislature; Would Expand Poker," *Part Time Poker*, May 9, 2009, available from http://news.parttimepoker.com/2009/05/09/gambling-bill-passes-florida-legislature-would-expand-poker/, accessed June 1, 2009.

<sup>&</sup>lt;sup>6</sup> The analysis in this report uses the final vote. The initial vote was 82-35. After the roll call, there was one additional yes vote, one additional no vote, and one representative who changed his vote from yes to no.

<sup>&</sup>lt;sup>7</sup> Mary Wozniak, "Seminoles Want to Talk, But Gaming Questions Persist," *Fort Myers News-Press*, May 16, 2009, available from http://news-press.com/article/20090516/NEWS01/90516025, accessed May 18, 2009.

<sup>&</sup>lt;sup>8</sup> Ibid.

#### **OTHER GAMING INTERESTS**

The Seminoles may have gained the most from the law's passage, but other casinos in the state also stand to cash in. The law allows no-limit poker and extended gambling hours at racetracks and jai alai frontons across the state, removing the table limits—which will allow the state's casinos to host national poker tournaments.<sup>9</sup>. It allows quarterhorse racing, card games, and slot machines (after two years of live racing) at the signature Hialeah Park, signaling a rebirth of the

race track, which has been unused since 2001.<sup>10</sup> The tribe, however, has exclusive rights to slot machines outside of Broward and Miami-Dade counties. (Slots in those counties were authorized by the 2004 ballot measure Amendment 4, which passed after the gaming industry spent \$15.5 million to support it.)

Other companies operating casinos within the state include Mardi Gras Gaming, Gulfstream Casino & Racing, the Isle Casino, and the Palm Beach Kennel Club.<sup>11</sup> In total, companies involved with gaming and racing gave \$3 million to legislative candidates and party committees in 2008. Florida ranked sixth in the nation for gaming contributions, as can be seen on the Institute's National Overview Map at FollowTheMoney.org.

These casinos were major contributors in Florida's 2008 elections. Mardi Gras Gaming, along with its parent company, Harman & Tyner, together gave almost \$700,000. The Palm Beach Kennel club, which Companies involved with gaming and racing gave \$3 million to legislative candidates and party committees in 2008

also has a poker room, came in second with \$378,000. Pompano Park, which runs the Isle Casino, gave \$326,500. The Gulfstream Park Racing & Casino gave a quarter million dollars. Combined, these four companies gave \$1.6 million, or 53 percent of all the money given by gaming interests in Florida in 2008.

<sup>&</sup>lt;sup>9</sup> "Gambling Bill Passes Florida Legislature; Would Expand Poker," *Part Time Poker*, May 9, 2009, available from http://news.parttimepoker.com/2009/05/09/gambling-bill-passes-florida-legislature-would-expand-poker/, accessed June 1, 2009.

<sup>&</sup>lt;sup>10</sup> Charles Rabin and Andres Viglucci, "A Gamble on Hialeah: Racetrack Could See New Life", *Miami Herald*, May 12, 2009, available from http://www.miamiherald.com/news/miami-dade/story/1043629.html, accessed June 1, 2009.

<sup>&</sup>lt;sup>11</sup> Nick Sortal, "What You Could Play Where, If Seminoles Agree to Gambling Deal," *South Florida Sun-Sentinel*, May 17, 2009.

CONTRIBUTOR	TO REPUBLICANS	TO DEMOCRATS	TOTAL
Mardi Gras Gaming <sup>13</sup>	\$449,464	\$244,500	\$693,964
Palm Beach Kennel Club	\$303,000	\$75,000	\$378,000
Pompano Park Racing	\$219,000	\$107,500	\$326,500
Jacksonville Greyhound Racing	\$234,789	\$32,500	\$267,289
Gulfstream Park Racing Assoc	\$156,000	\$100,000	\$256,000
Florida Thoroughbred Breeders	\$95,000	\$45,500	\$140,500
Derby Lane/St. Petersburg Kennel Club	\$76,500	\$45,141	\$121,641
Richmond Entertainment	\$116,000	\$0	\$116,000
West Flagler Associates	\$74,000	\$22,500	\$96,500
Calder Race Course	\$53,500	\$21,000	\$74,500
TOTAL	\$1,777,253	\$693,641	\$2,470,894

#### TOP NON-SEMINOLE GAMING CONTRIBUTORS IN FLORIDA, 2008<sup>12</sup>

Gaming interests gave 89 percent of their contributions to the state party committees: \$2 million to Republicans and slightly less than \$700,000 to Democrats.

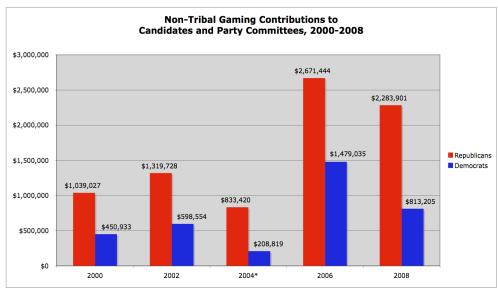
Of the \$334,135 given directly to candidates, 64 percent went to Republicans. 65 percent went to House races. Two-thirds of the money went to incumbents running for re-election. Gaming interests gave another 32 percent to candidates running for an open seat. Only \$9,750 (3 percent) was given to a challenger.

84 of 120 representatives received contributions from casinos or racetracks—60 of whom voted to approve the Seminole gaming compact. On the other side, 17 of 29 senators receiving money from the gaming industry voted yes. The legislators who voted yes received an average of \$3,147 from the gaming industry, almost twice the amount received by those voting no.

Although gaming contributions are substantially higher than in the early part of the decade, contributions from racetracks and casinos do not show the same dramatic increase as contributions from the Seminoles. Gaming interests gave 89 percent of their contributions to the state party committees: \$2 million to Republicans and slightly less than \$700,000 to Democrats

<sup>&</sup>lt;sup>12</sup> This analysis only includes money given by the companies themselves, not individuals employed by those companies.

<sup>&</sup>lt;sup>13</sup> Includes contributions from parent company Hartman & Tyner.



\*\$15.5 million was also given in 2004 to support Amendment 4, which allowed Broward and Miami-Dade counties to hold referenda to authorize slot machines at certain existing, licensed parimutuel facilities.

The top 10 recipients of non-tribal gaming money received \$97,785, or 29 percent of the gaming money given to 141 candidates. Several legislative leaders were on the list: House Majority Whip Carlos Lopez-Cantera was the largest recipient of gaming money; Senate President Jeff Atwater and President Pro Tempore Mike Fasano also placed high. All 10 recipients voted yes on the gaming compact.

LEGISLATOR	OFFICE	TOTAL	
Lopez-Cantera, Carlos (R) (House Majority Whip)	House	\$15,500	
Dean, Charles S. (R)	Senate	\$11,250	
Atwater, Jeff (R) (Senate President)	Senate	\$10,285	
Fasano, Mike (R) (President Pro Tempore)	Senate	\$10,250	
Jones, Dennis L. (R)	Senate	\$9,500	
Aronberg, Dave (D)	Senate	\$9,250	
Rivera, David (R)	House	\$8,500	
Lynn, Evelyn (R)	Senate	\$8,250	
Altman, Thad (R)	Senate	\$8,000	
Gelber, Dan (D)	Senate	\$7,000	
	TOTAL	\$97,785	

#### TOP RECIPIENTS OF NON-SEMINOLE GAMING MONEY, FLORIDA 2008

—END—