By the Committee on Gaming; and Senators Stargel and Abruzzo

584-02365-14 2014668c1 A bill to be entitled

1 An act

An act relating to amusement machines; amending s. 849.161, F.S.; redefining terms; revising applicability; clarifying provisions and making technical changes; authorizing direct receipt of merchandise under certain circumstances; specifying a cap on the redemption value of points or coupons; requiring the Department of Revenue to calculate annually an adjusted cap; requiring the department to publish the amount of the adjusted cap in a brochure accessible from its website; providing an effective date.

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Be It Enacted by the Legislature of the State of Florida:

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Section 1. Section 849.161, Florida Statutes, is amended to read:

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849.161 Amusement games or machines; when chapter inapplicable.

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(1) As used in this section, the term:

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operated only for bona fide entertainment of the general public, which are activated which operate by means of the insertion of currency or a coin, card, coupon, slug, token, or similar device, and which, by application of skill, may entitle the person playing or operating the game or machine controls the outcome of the game to receive points or coupons, the cost value of which does not exceed 75 cents on any game played, which may

(a) "Amusement games or machines" means games which are

be exchanged for merchandise. The term does not include:

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 $\underline{\text{1.}}$ Casino-style games in which the outcome $\underline{\text{of the game}}$ is determined by factors unpredictable by the player; $\underline{\text{or}}$

- $\underline{2}$. Games in which the player $\underline{\text{does}}$ $\underline{\text{may}}$ not control the outcome of the game through skill;
- 3. Video poker games or any other game or machine that may be construed as a gambling device under the laws of this state; or
- 4. Any game or device defined as a gambling device in 15 U.S.C. s. 1171, unless excluded under s. 1178.
- (b) "Arcade amusement center" means a place of business having at least 50 coin-operated amusement games or machines on premises which are operated for the entertainment of the general public and tourists as a bona fide amusement facility.
- (c) "Game played" means the event occurring from the initial activation of the amusement game or machine by the insertion of currency or a coin, card, coupon, slug, token, or similar device, until the results of play are determined without the insertion of additional currency or an additional coin, card, coupon, slug, token, or similar device, to continue play payment of additional consideration. Free replays do not count as separate games played constitute additional consideration.
- (d) "Merchandise" means noncash prizes, including toys and novelties. The term does not include:
- $\underline{\text{1.}}$ Cash $\underline{\text{equivalents}}$ or any equivalent thereof, including gift cards or certificates; $\underline{\text{r}}$ or
 - 2. Alcoholic beverages;
- 3. Cards, coupons, points, slugs, tokens, or similar devices that can be used to activate an amusement game or machine; or

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4. Points or coupons that have redemption value greater than the cap calculated pursuant to subsection (8).

- (e) "Redemption value" means the imputed value of coupons or points, based on the wholesale cost of onsite merchandise for which those coupons or points may be redeemed.
- $\underline{\text{(f)}}$ "Truck stop" means \underline{a} any dealer registered pursuant to chapter 212, excluding marinas, which:
- 1. Declared its primary fuel business to be the sale of diesel fuel; and
- 2. Operates a minimum of six functional diesel fuel pumps;
- 3. Has coin-operated amusement games or machines on premises which are operated for the entertainment of the general public and tourists as bona fide amusement games or machines.
- (2) Nothing contained in This chapter does not shall be taken or construed to prohibit an areade amusement center or truck stop from operating amusement games or machines operated in conformance with this section.
- (3) This section applies only to <u>amusement</u> games <u>or and</u> machines which are operated for the entertainment of the general public and tourists as bona fide amusement games or machines.
 - (4) This section does shall not be construed to authorize:
- (a) Casino-style games in which the outcome of the game is determined by factors unpredictable by the player;
- (b) Games in which the player does not control the outcome of the game through skill;
- (c) Video poker games or any other game or machine that may be construed as a gambling device under the laws of this state; or

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(d) Any game or device defined as a gambling device in 15 U.S.C. s. 1171, which requires identification of each device by permanently affixing seriatim numbering and name, trade name, and date of manufacture under s. 1173, and registration with the United States Attorney General, unless excluded from applicability of the chapter under s. 1178, or video poker games or any other game or machine that may be construed as a gambling device under Florida law.

- (5) An amusement game or machine may entitle or enable a person, by application of skill, This section does not apply to a coin-operated game or device designed and manufactured only for bona fide amusement purposes which game or device may by application of skill entitle the player to replay the game or device without the insertion of at no additional currency or an additional coin, card, coupon, slug, token, or similar device, if cost, if the game or device:
- (a) The amusement game or machine can accumulate and react to no more than 15 free replays;
- (b) The amusement game or machine can be discharged of accumulated free replays only by reactivating the game or device for one additional play for such accumulated free replay; and
- (c) The amusement game or machine cannot Can make a no permanent record, directly or indirectly, of free replays; and is not classified by the United States as a gambling device in 15 U.S.C. s. 1171, which requires identification of each device by permanently affixing seriatim numbering and name, trade name, and date of manufacture under s. 1173, and registration with the United States Attorney General, unless excluded from applicability of the chapter under s. 1178. This subsection

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shall not be construed to authorize video poker games, or any

other game or machine that may be construed as a gambling device

under Florida law.

- (6) An amusement game or machine may entitle or enable a person, by application of skill, to receive points or coupons that can be redeemed onsite for merchandise, if:
- (a) The amusement game or machine is located at an arcade amusement center, truck stop, bowling center defined in s.

 849.141, or public lodging establishment or public food service facility licensed pursuant to chapter 509;
- (b) Points or coupons have no value other than for redemption onsite for merchandise;
- (c) The redemption value of points or coupons a person receives for a single game played does not exceed the cap calculated pursuant to subsection (8); and
- (d) The redemption value of points or coupons a person receives for playing multiple games simultaneously or competing against others in a multi-player game, does not exceed the cap calculated pursuant to subsection (8).
- (7) An amusement game or machine may entitle or enable a person, by application of skill, to receive merchandise directly, if:
- (a) The amusement game or machine is located at an arcade amusement center, truck stop, bowling center defined in s. 849.141, public lodging establishment or public food service facility licensed pursuant to chapter 509, or on the premises of a retailer as defined in s. 212.02; and
- (b) The wholesale cost of the merchandise does not exceed 10 times the cap calculated pursuant to subsection (8).

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(8) The cap on the redemption value of points or coupons is \$5.25. Beginning July 1, 2015, and annually thereafter, the Department of Revenue shall adjust the cap by multiplying the prior cap by 1 plus the percentage change in the Consumer Price Index for All Urban Consumers, U.S. City Average, or a successor index as calculated by the United States Department of Labor, for the most recent 12-month period ending March 31, and rounding the product to the nearest cent. The Department of Revenue shall publish the cap, as adjusted, in a brochure accessible from its website relating to sales and use tax on amusement machines.

Section 2. This act shall take effect July 1, 2014.