

STORAGE NAME: h1063.rs
DATE: March 17, 1998

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
REGULATED SERVICES
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 1063
RELATING TO: Gambling Equipment
SPONSOR(S): Representative Andrews
STATUTE(S) AFFECTED: Section 849.2315, Florida Statutes
COMPANION BILL(S): SB 834 (S)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) REGULATED SERVICES
- (2) GOVERNMENTAL RULES & REGULATIONS
- (3)
- (4)
- (5)

I. SUMMARY:

This bill directs the Department of Business and Professional Regulation to promulgate rules which provide for the regulation of the manufacture of gambling equipment. The rules adopted by the department must provide for each piece of gambling equipment manufactured in the state to be stamped with a registration number which identifies the manufacturer; bonding requirements for gambling equipment manufacturers; and administrative penalties for violations by any manufacturer of gambling equipment.

The bill makes violations of this section a third degree felony; subsequent violations are first degree felonies.

The fiscal impact of the bill is indeterminate; the department would bear the costs of rulemaking and of regulating the manufacture of gambling equipment.

The act would take effect October 1, 1997 (Effective date requires amendment).

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

It is currently illegal to manufacture slot machines or any component part of a slot machine in Florida pursuant to section 849.15, Florida Statutes. Section 849.231(1), F.S., prohibits the manufacture of certain gambling devices except by persons who have registered with the federal government pursuant to the provisions to Title 15, United States Code, ss. 1171, et. seq. The statute specifies that, except as previously mentioned, no person may "manufacture, sell, transport, offer for sale, purchase, own, or have in his possession any roulette wheel or table, faro layout, crap table or layout, chemin de fer table or layout, chuck-a-luck wheel, bird cage such as used for gambling, bolita balls, chips with house markings, or any other device, implement, apparatus, or paraphernalia ordinarily or commonly used or designed to be used in the operation of gambling houses or establishments. . . ." This provision does not apply to the manufacture of dice or ordinary playing cards or to a foreign ship in state waters.

In 1994, the Attorney General (AGO 94-69) opined that the manufacture of slot machines or component parts of such machines are not lawful in the state. The opinion states that the exemption provided in s. 849.231(1), F.S., for persons registered with the federal government does not apply to slot machines.

B. EFFECT OF PROPOSED CHANGES:

This bill creates s. 849.2315, F.S., which directs the Department of Business and Professional Regulation to promulgate rules which provide for the regulation of the manufacture of gambling equipment. The rules adopted by the department must provide for each piece of gambling equipment manufactured in the state to be stamped with a registration number which identifies the manufacturer; bonding requirements for gambling equipment manufacturers; and administrative penalties for violations by any manufacturer of gambling equipment.

The bill makes violations of this section a third degree felony; subsequent violations are first degree felonies.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

The bill directs the Department of Business and Professional Regulation to adopt rules regulating the manufacture of gambling equipment.

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- (2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

N/A

- (3) any entitlement to a government service or benefit?

N/A

- b. If an agency or program is eliminated or reduced:

- (1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

- (2) what is the cost of such responsibility at the new level/agency?

N/A

- (3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

N/A

- b. Does the bill require or authorize an increase in any fees?

N/A

- c. Does the bill reduce total taxes, both rates and revenues?

N/A

- d. Does the bill reduce total fees, both rates and revenues?

N/A

- e. Does the bill authorize any fee or tax increase by any local government?

N/A

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

The bill seeks to authorize an activity currently prohibited by law.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

N/A

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

N/A

- (2) Who makes the decisions?

N/A

- (3) Are private alternatives permitted?

N/A

- (4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

N/A

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. SECTION-BY-SECTION RESEARCH:

This section need be completed only in the discretion of the Committee.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

Indeterminate. The department would bear the costs of the rulemaking process.

2. Recurring Effects:

Indeterminate. The department would bear the costs of regulating the manufacture of gambling equipment.

3. Long Run Effects Other Than Normal Growth:

N/A

4. Total Revenues and Expenditures:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

N/A

2. Direct Private Sector Benefits:

This bill would allow manufacturers to produce gambling equipment in Florida.

3. Effects on Competition, Private Enterprise and Employment Markets:

N/A

D. FISCAL COMMENTS:

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

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B. REDUCTION OF REVENUE RAISING AUTHORITY:

N/A

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

N/A

V. COMMENTS:

This bill does not address the current prohibition against the manufacture of gambling equipment in the state pursuant to ss. 849.15 and 849.231, F.S.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

VII. SIGNATURES:

COMMITTEE ON REGULATED SERVICES:

Prepared by:

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