

By Senator Silver

38-1356A-99

See HB

1 A bill to be entitled
2 An act relating to video lotteries for
3 educational facilities; amending s. 24.101,
4 F.S.; redesignating chapter 24 of the Florida
5 Statutes as the "Florida Public Education
6 Lottery Chapter"; amending ss. 24.102, 24.108,
7 24.111, 24.118, and 24.120, F.S., to conform;
8 making technical corrections within the
9 chapter; amending s. 24.103, F.S., relating to
10 definitions; defining the terms "video lottery
11 game," "video lottery terminal vendor," "net
12 terminal income," and "video lottery retailer";
13 amending s. 24.105, F.S.; providing duties of
14 the Department of the Lottery relating to
15 establishment and operation of video lottery
16 games; providing specific rulemaking authority;
17 amending s. 24.1055, F.S.; correcting a
18 reference; prohibiting participation of minors
19 in video lottery games; requiring warning
20 signs; providing criminal penalties; creating
21 s. 24.1121, F.S.; providing requirements for
22 video lottery games and retailers; providing
23 suspension powers to the Department of the
24 Lottery; providing for fines; providing for
25 enforcement of suspension orders or fines in
26 circuit court; providing for allocation of net
27 terminal income; providing for distribution of
28 proceeds; providing for transfer of funds into
29 the Public Education Capital Outlay and Debt
30 Service Trust Fund; prohibiting manipulation or
31 attempted manipulation of lottery games or

1 terminals; providing criminal penalties;
2 providing for payment of prizes; prohibiting
3 isolation of video lottery terminals in
4 pari-mutuel facilities; creating s. 24.1122,
5 F.S.; providing for licensure of video lottery
6 terminal vendors; creating s. 24.1123, F.S.;
7 prohibiting certain zoning changes by local
8 governments; creating s. 24.1124, F.S.,
9 relating to video lottery terminals; requiring
10 that such terminals be approved by the
11 department; providing technical specifications;
12 creating s. 24.1125, F.S.; providing for
13 training and certification of video lottery
14 terminal service employees; providing
15 rulemaking authority; amending s. 24.117, F.S.;
16 prohibiting knowingly permitting use of video
17 lottery terminals by minors; providing criminal
18 penalties; amending s. 24.122, F.S.;
19 prohibiting state and local taxation of the
20 installation, rental, or use of video lottery
21 terminals; amending s. 212.02, F.S.; clarifying
22 that video lottery terminals are not
23 coin-operated amusement machines for the
24 purpose of taxation; creating s. 550.26315,
25 F.S., relating to the administration of the
26 Video Lottery Purse Trust Fund; providing for
27 distribution of proceeds; requiring certain
28 proceeds to be used as additional purses,
29 awards, or compensation; providing for transfer
30 of certain proceeds to the Video Lottery
31 Thoroughbred Trust Fund; providing rulemaking

1 authority; creating s. 550.26325, F.S.,
2 relating to the distribution of funds from the
3 Video Lottery Thoroughbred Trust Fund;
4 requiring certain uses of distributed funds;
5 providing for periodic calculations for the
6 distribution of proceeds in future years;
7 amending s. 550.2625, F.S.; requiring that the
8 Division of Pari-Mutuel Wagering of the
9 Department of Business and Professional
10 Regulation adopt rules regarding the
11 distribution of certain awards and funds,
12 including video lottery proceeds, received for
13 distribution to thoroughbred owners and
14 breeders by pari-mutuel permitholders or by
15 horsemen's or breeders' associations; providing
16 administrative fines for underpaying purses or
17 awards; requiring periodic audited accountings
18 by permitholders and by horsemen's and
19 breeders' associations; creating s. 550.401,
20 F.S.; prohibiting the cancellation of certain
21 contracts by greyhound racing tracks; amending
22 s. 550.615, F.S.; providing that pari-mutuel
23 facilities are not required to broadcast their
24 intertrack signals to other facilities located
25 in the same county; requiring approval of
26 certain intertrack contracts; requiring written
27 consent of certain permitholders relating to
28 intertrack wagering; amending s. 550.6305,
29 F.S.; providing that pari-mutuel facilities are
30 not required to broadcast their intertrack
31 signals to other facilities located in the same

1 county; repealing additional requirements and
2 authority provided in relation to intertrack
3 wagering on nighttime thoroughbred races;
4 amending s. 565.02, F.S.; providing that
5 pari-mutuel facilities may be licensed to sell
6 alcoholic beverages when conducting video
7 lottery games; providing a contingent effective
8 date.

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10 WHEREAS, the need for additional classroom construction
11 both now and in the future will require an additional source
12 of revenue to meet that need, and

13 WHEREAS, the Florida Lottery was authorized by the
14 citizens of the State of Florida in the Florida Constitution
15 and was enacted by the Legislature of the State of Florida, in
16 part, to provide for the enhancement of educational
17 opportunities in this state, and

18 WHEREAS, the authorization of video lottery games as an
19 expansion of the state lottery would provide additional
20 funding that could, and should, be dedicated to addressing the
21 unmet need for construction, renovation, and maintenance of
22 educational facilities in this state, and

23 WHEREAS, the citizens of this state have overwhelmingly
24 rejected the establishment of casinos in this state, and

25 WHEREAS, the pari-mutuel industry of Florida has
26 provided employment, entertainment, and financial resources to
27 the State of Florida for over 75 years, and has been a vital
28 part of Florida's tourism industry, and

29 WHEREAS, the pari-mutuel industry permitholders are
30 strictly licensed and regulated by the State of Florida, and

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1 have established a lengthy record of complying with the laws
2 of this state, and

3 WHEREAS, the amount that may be wagered at a licensed
4 facility has been unlimited, and

5 WHEREAS, there are a limited number of pari-mutuel
6 permits in Florida, and

7 WHEREAS, the Legislature has determined that permitting
8 video lottery terminals in licensed pari-mutuel facilities
9 will provide needed revenue for the construction of
10 educational facilities, enhance the economic vitality of the
11 pari-mutuel industry and the economic vitality of the State as
12 a whole, and ensure the protection of the public interests,
13 NOW, THEREFORE,

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

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17 Section 1. Section 24.101, Florida Statutes, is
18 amended to read:

19 24.101 Short title.--This chapter act may be cited as
20 the "Florida Public Education Lottery Chapter Act."

21 Section 2. Section 24.102, Florida Statutes, is
22 amended to read:

23 24.102 Purpose and intent.--

24 (1) The purpose of this chapter act is to implement s.
25 15, Art. X of the State Constitution in a manner that enables
26 the people of the state to benefit from significant additional
27 moneys for education and also enables the people of the state
28 to play the best lottery games available.

29 (2) The intent of the Legislature is:

30 (a) That the net proceeds of lottery games conducted
31 pursuant to this chapter act be used to support improvements

1 in public education and that such proceeds not be used as a
2 substitute for existing resources for public education.

3 (b) That the lottery games be operated by a department
4 of state government that functions as much as possible in the
5 manner of an entrepreneurial business enterprise. The
6 Legislature recognizes that the operation of a lottery is a
7 unique activity for state government and that structures and
8 procedures appropriate to the performance of other
9 governmental functions are not necessarily appropriate to the
10 operation of a state lottery.

11 (c) That the lottery games be operated by a
12 self-supporting, revenue-producing department.

13 (d) That the department be accountable to the
14 Legislature and the people of the state through a system of
15 audits and reports and through compliance with financial
16 disclosure, open meetings, and public records laws.

17 Section 3. Section 24.103, Florida Statutes, is
18 amended to read:

19 24.103 Definitions.--As used in this chapter ~~act~~:

- 20 (1) "Department" means the Department of the Lottery.
21 (2) "Secretary" means the secretary of the department.
22 (3) "Commission" means the State Lottery Commission.
23 (4) "Person" means any individual, firm, association,
24 joint adventure, partnership, estate, trust, syndicate,
25 fiduciary, corporation, or other group or combination and
26 shall include any agency or political subdivision of the
27 state.
28 (5) "Major procurement" means a procurement for a
29 contract for the printing of tickets for use in any lottery
30 game, consultation services for the startup of the lottery,
31 any goods or services involving the official recording for

1 lottery game play purposes of a player's selections in any
2 lottery game involving player selections, any goods or
3 services involving the receiving of a player's selection
4 directly from a player in any lottery game involving player
5 selections, any goods or services involving the drawing,
6 determination, or generation of winners in any lottery game,
7 the security report services provided for in this chapter act,
8 or any goods and services relating to marketing and promotion
9 which exceed a value of \$25,000.

10 (6) "Retailer" means a person who sells lottery
11 tickets on behalf of the department pursuant to a contract.

12 (7) "Vendor" means a person who provides or proposes
13 to provide goods or services to the department, but does not
14 include an employee of the department, a retailer, or a state
15 agency.

16 (8) "Video lottery game" means an electronically
17 simulated game involving any element of chance that is played
18 on a video lottery terminal that, upon insertion of cash,
19 tokens, credits, or voucher, is available to play or simulate
20 a lottery-type game, including, but not limited to, line-up
21 games utilizing a video display and microprocessors, and in
22 which, by means of an element of chance, the player may
23 receive credits that can be redeemed for cash. "Video lottery
24 game" also means an electronically simulated game involving
25 elements of chance and skill that is played on a video lottery
26 terminal that, upon insertion of cash, tokens, credits, or
27 voucher, is available to play or simulate the play of
28 traditional card games including, but not limited to, video
29 poker, utilizing a cathode ray tube or video display screen
30 and microprocessors, and in which the player may win credits
31 that can be redeemed for cash. "Video lottery game" also

1 includes a progressive game, which is any game in which a
2 jackpot grows and accumulates as it is being played on a video
3 lottery terminal, or on a network of video lottery terminals,
4 and in which the outcome is randomly determined by the play of
5 video lottery terminals linked by a central network. A video
6 lottery terminal may use spinning reels or video displays, or
7 both. No video lottery terminal shall directly dispense coins,
8 cash, or tokens.

9 (9) "Video lottery terminal vendor" means any person
10 or entity approved by the department which provides the video
11 lottery terminals to a video lottery retailer or computer
12 functions related to video lottery terminals to the
13 department.

14 (10) "Net terminal income" means currency and other
15 consideration placed into a video lottery terminal minus
16 credits redeemed by players.

17 (11) "Video lottery retailer" means any person who
18 possesses a pari-mutuel permit on July 1, 1998, issued
19 pursuant to chapter 550, who either has conducted a full
20 schedule of live racing or games between July 1, 1997, and
21 June 30, 1998, as defined by s. 550.002(11), or is authorized
22 to receive broadcasts of horseraces pursuant to s. 550.615.

23 Section 4. Section 24.105, Florida Statutes, 1998
24 Supplement, is amended to read:

25 24.105 Powers and duties of department.--The
26 department shall:

27 (1) Have the authority to sue or be sued in the
28 corporate name of the department and to adopt a corporate seal
29 and symbol.

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1 (2)(a) Supervise and administer the operation of the
2 lottery in accordance with the provisions of this chapter act
3 and rules adopted pursuant thereto.

4 (b)1. Initiate the public sale of lottery tickets with
5 an instant game starting no later than January 15, 1988. If
6 the secretary finds that a state of emergency exists that
7 would prohibit the department from initiating such sale on or
8 before such date or that would cause the initiation of such
9 sale on or before such date to be clearly contrary to the
10 integrity of the state, the secretary shall certify such
11 finding to the Governor. If the Governor verifies such
12 finding, the department shall initiate the sale of lottery
13 tickets on the earliest feasible date after the abatement of
14 such state of emergency.

15 2. Also begin to operate on-line games no later than
16 May 1, 1988. If the secretary finds that a state of emergency
17 exists that would prohibit the department from initiating such
18 on-line games on or before such date or that would cause the
19 initiation of on-line games on or before such date to be
20 clearly contrary to the integrity of the state, the secretary
21 shall certify such finding to the Governor. If the Governor
22 verifies such finding, the department shall initiate the sale
23 of lottery tickets on the earliest feasible date after the
24 abatement of such state of emergency.

25 (3) For purposes of any investigation or proceeding
26 conducted by the department, have the power to administer
27 oaths, require affidavits, take depositions, issue subpoenas,
28 and compel the attendance of witnesses and the production of
29 books, papers, documents, and other evidence.

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1 (4) Make available to the commission any record or
2 other information relating to the lottery that the commission
3 requests.

4 (5) Submit monthly and annual reports to the
5 commission, the Governor, the Treasurer, the President of the
6 Senate, and the Speaker of the House of Representatives
7 disclosing the total lottery revenues, prize disbursements,
8 and other expenses of the department during the preceding
9 month. The annual report shall additionally describe the
10 organizational structure of the department, including its
11 hierarchical structure, and shall identify the divisions and
12 bureaus created by the secretary and summarize the
13 departmental functions performed by each.

14 (6) Adopt by rule a system of internal audits.

15 (7) Maintain weekly or more frequent records of
16 lottery transactions, including the distribution of tickets to
17 retailers, revenues received, claims for prizes, prizes paid,
18 and other financial transactions of the department.

19 (8) Make a continuing study of the lottery to
20 ascertain any defects of the laws governing the lottery ~~this~~
21 ~~act~~ or rules adopted thereunder which could result in abuses
22 in the administration of the lottery; make a continuing study
23 of the operation and the administration of similar laws in
24 other states and of federal laws which may affect the lottery;
25 and make a continuing study of the reaction of the public to
26 existing and potential features of the lottery.

27 (9) Conduct such market research as is necessary or
28 appropriate, which may include an analysis of the demographic
29 characteristics of the players of each lottery game and an
30 analysis of advertising, promotion, public relations,
31 incentives, and other aspects of communications.

1 (10) Have in place the capacity to support video
2 lottery games at facilities of video lottery retailers
3 beginning no later than October 1, 1999.

4 (11) Hear and decide promptly and in reasonable order
5 all license applications or proceedings for suspension or
6 revocation of licenses.

7 (12) Collect and disperse such revenue due the
8 department as described in this chapter.

9 (13) Certify net terminal income by inspecting
10 records, conducting audits, or any other reasonable means.

11 (14) Provide a list of approved vendors and maintain a
12 current list of all contracts between video lottery terminal
13 vendors and video lottery retailers.

14 (15) Approve an application as a video lottery
15 retailer, pursuant to s. 24.103(11), within 30 days of the
16 receipt of the application.

17 (16)~~(10)~~ Adopt rules governing the establishment and
18 operation of the state lottery, including:

19 (a) The type of lottery games to be conducted, except
20 that:

21 1. No name of an elected official shall appear on the
22 ticket or play slip of any lottery game or on any prize or on
23 any instrument used for the payment of prizes, unless such
24 prize is in the form of a state warrant.

25 2. No coins or currency shall be dispensed from any
26 electronic computer terminal or device used in any lottery
27 game.

28 3. Other than as provided in subparagraph 4., no
29 terminal or device may be used for any lottery game which may
30 be operated solely by the player without the assistance of the
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1 retailer, except authorized video lottery terminals operated
2 pursuant to this chapter.

3 4. The only player-activated machine which may be
4 utilized is a machine which dispenses instant lottery game
5 tickets following the insertion of a coin or currency by a
6 ticket purchaser. To be authorized a machine must: be under
7 the supervision and within the direct line of sight of the
8 lottery retailer to ensure that the machine is monitored and
9 only operated by persons at least 18 years of age; be capable
10 of being electronically deactivated by the retailer to
11 prohibit use by persons less than 18 years of age through the
12 use of a lockout device that maintains the machine's
13 deactivation for a period of no less than 5 minutes; and be
14 designed to prevent its use or conversion for use in any
15 manner other than the dispensing of instant lottery tickets.
16 Authorized machines may dispense change to players purchasing
17 tickets but may not be utilized for paying the holders of
18 winning tickets of any kind. At least one clerk must be on
19 duty at the lottery retailer while the machine is in
20 operation. However, at least two clerks must be on duty at any
21 lottery location which has violated s. 24.1055.

22 (b) The sales price of tickets.

23 (c) The number and sizes of prizes.

24 (d) The method of selecting winning tickets. However,
25 if a lottery game involves a drawing, the drawing shall be
26 public and witnessed by an accountant employed by an
27 independent certified public accounting firm. The equipment
28 used in the drawing shall be inspected before and after the
29 drawing.

30 (e) The manner of payment of prizes to holders of
31 winning tickets.

1 (f) The frequency of drawings or selections of winning
2 tickets.

3 (g) The number and type of locations at which tickets
4 may be purchased.

5 (h) The method to be used in selling tickets.

6 (i) The manner and amount of compensation of
7 retailers.

8 (j) Such other matters necessary or desirable for the
9 efficient or economical operation of the lottery or for the
10 convenience of the public.

11 (k) The regulation of video lottery retailers as
12 pertains to video lottery products.

13 (l) Specifications for video lottery terminals to be
14 approved and authorized as the department deems necessary to
15 maintain the integrity of video lottery games and terminals.
16 Initial rules sufficient to permit the operation of video
17 lotteries and the licensing of video lottery retailers shall
18 be adopted no later than August 1, 1999. The department shall
19 not provide for specifications that would have the result of
20 reducing to fewer than four the number of video lottery
21 terminal vendors who supply terminals that meet the
22 specifications.

23 (m) The licensure and regulation of video lottery
24 terminal vendors. The department shall not approve any person
25 as a video lottery terminal vendor if such person has an
26 interest in a video lottery retailer or a business
27 relationship with a video lottery retailer other than as a
28 vendor or lessor of video lottery terminals.

29 ~~(17)(11)~~ Have the authority to hold copyrights,
30 trademarks, and service marks and enforce its rights with
31 respect thereto.

1 (18)~~(12)~~ In the selection of games and method of
2 selecting winning tickets, be sensitive to the impact of the
3 lottery upon the pari-mutuel industry and, accordingly, the
4 department may use for any game the theme of horseracing,
5 dogracing, or jai alai and may allow a lottery game to be
6 based upon a horserace, dograce, or jai alai activity so long
7 as the outcome of such lottery game is determined entirely by
8 chance.

9 (19)~~(13)~~(a) Determine by rule information relating to
10 the operation of the lottery which is confidential and exempt
11 from the provisions of s. 119.07(1) and s. 24(a), Art. I of
12 the State Constitution. Such information includes trade
13 secrets; security measures, systems, or procedures; security
14 reports; information concerning bids or other contractual
15 data, the disclosure of which would impair the efforts of the
16 department to contract for goods or services on favorable
17 terms; employee personnel information unrelated to
18 compensation, duties, qualifications, or responsibilities; and
19 information obtained by the Division of Security pursuant to
20 its investigations which is otherwise confidential. To be
21 deemed confidential, the information must be necessary to the
22 security and integrity of the lottery. Confidential
23 information may be released to other governmental entities as
24 needed in connection with the performance of their duties.
25 The receiving governmental entity shall retain the
26 confidentiality of such information as provided for in this
27 subsection.

28 (b) Maintain the confidentiality of the street address
29 and the telephone number of a winner, in that such information
30 is confidential and exempt from the provisions of s. 119.07(1)
31 and s. 24(a), Art. I of the State Constitution, unless the

1 winner consents to the release of such information or as
2 provided for in s. 24.115(4) or s. 409.2577.

3 (c) Any information made confidential and exempt from
4 the provisions of s. 119.07(1) under this subsection shall be
5 disclosed to a member of the commission, to the Auditor
6 General, or to the independent auditor selected under s.
7 24.123 upon such person's request therefor. If the President
8 of the Senate or the Speaker of the House of Representatives
9 certifies that information made confidential under this
10 subsection is necessary for effecting legislative changes, the
11 requested information shall be disclosed to him or her, and he
12 or she may disclose such information to members of the
13 Legislature and legislative staff as necessary to effect such
14 purpose.

15 (20)~~(14)~~ Have the authority to perform any of the
16 functions of the Department of Management Services under
17 chapter 255, chapter 273, chapter 281, chapter 283, or chapter
18 287, or any rules adopted under any such chapter, and may
19 grant approvals provided for under any such chapter or rules.
20 If the department finds, by rule, that compliance with any
21 such chapter would impair or impede the effective or efficient
22 operation of the lottery, the department may adopt rules
23 providing alternative procurement procedures. Such
24 alternative procedures shall be designed to allow the
25 department to evaluate competing proposals and select the
26 proposal that provides the greatest long-term benefit to the
27 state with respect to the quality of the products or services,
28 dependability and integrity of the vendor, dependability of
29 the vendor's products or services, security, competence,
30 timeliness, and maximization of gross revenues and net
31 proceeds over the life of the contract.

1 (21)~~(15)~~ Have the authority to acquire real property
2 and make improvements thereon. The title to such property
3 shall be vested in the Board of Trustees of the Internal
4 Improvement Trust Fund. The board shall give the department
5 preference in leasing state-owned lands under the board's
6 control and may not exercise any jurisdiction over lands
7 purchased or leased by the department while such lands are
8 actively used by the department. Actions of the department
9 under this subsection are exempt from the time limitations and
10 deadlines of chapter 253.

11 (22)~~(16)~~ Have the authority to charge fees to persons
12 applying for contracts as vendors or retailers, which fees are
13 reasonably calculated to cover the costs of investigations and
14 other activities related to the processing of the application.

15 (23)~~(17)~~ Enter into contracts for the purchase, lease,
16 or lease-purchase of such goods and services as are necessary
17 for the operation and promotion of the state lottery,
18 including assistance provided by any governmental agency.

19 (24)~~(18)~~ In accordance with the provisions of this
20 chapter act, enter into contracts with retailers so as to
21 provide adequate and convenient availability of tickets to the
22 public for each game.

23 (25)~~(19)~~ Have the authority to enter into agreements
24 with other states for the operation and promotion of a
25 multistate lottery if such agreements are in the best interest
26 of the state lottery. The authority conferred by this
27 subsection is not effective until 1 year after the first day
28 of lottery ticket sales.

29 (26)~~(20)~~ Employ division directors and other staff as
30 may be necessary to carry out the provisions of this chapter
31 act; however:

1 (a) No person shall be employed by the department who
2 has been convicted of, or entered a plea of guilty or nolo
3 contendere to, a felony committed in the preceding 10 years,
4 regardless of adjudication, unless the department determines
5 that:

6 1. The person has been pardoned or his or her civil
7 rights have been restored; or

8 2. Subsequent to such conviction or entry of plea the
9 person has engaged in the kind of law-abiding commerce and
10 good citizenship that would reflect well upon the integrity of
11 the lottery.

12 (b) No officer or employee of the department having
13 decisionmaking authority shall participate in any decision
14 involving any vendor or retailer with whom the officer or
15 employee has a financial interest. No such officer or
16 employee may participate in any decision involving any vendor
17 or retailer with whom the officer or employee has discussed
18 employment opportunities without the approval of the secretary
19 or, if such officer is the secretary or any member of the
20 commission, without the approval of the Governor. Any officer
21 or employee of the department shall notify the secretary of
22 any such discussion or, if such officer is the secretary or a
23 member of the commission, he or she shall notify the Governor.
24 A violation of this paragraph is punishable in accordance with
25 s. 112.317.

26 (c) No officer or employee of the department who
27 leaves the employ of the department shall represent any vendor
28 or retailer before the department regarding any specific
29 matter in which the officer or employee was involved while
30 employed by the department, for a period of 1 year following
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1 cessation of employment with the department. A violation of
2 this paragraph is punishable in accordance with s. 112.317.

3 (d) The department shall establish and maintain a
4 personnel program for its employees, including a personnel
5 classification and pay plan which may provide any or all of
6 the benefits provided in the Senior Management Service or
7 Selected Exempt Service. Each officer or employee of the
8 department shall be a member of the Florida Retirement System.
9 The retirement class of each officer or employee shall be the
10 same as other persons performing comparable functions for
11 other agencies. Employees of the department shall serve at
12 the pleasure of the secretary and shall be subject to
13 suspension, dismissal, reduction in pay, demotion, transfer,
14 or other personnel action at the discretion of the secretary.
15 Such personnel actions are exempt from the provisions of
16 chapter 120. All employees of the department are exempt from
17 the Career Service System provided in chapter 110 and,
18 notwithstanding the provisions of s. 110.205(5), are not
19 included in either the Senior Management Service or the
20 Selected Exempt Service. However, all employees of the
21 department are subject to all standards of conduct adopted by
22 rule for career service and senior management employees
23 pursuant to chapter 110. In the event of a conflict between
24 standards of conduct applicable to employees of the Department
25 of the Lottery the more restrictive standard shall apply.
26 Interpretations as to the more restrictive standard may be
27 provided by the Commission on Ethics upon request of an
28 advisory opinion pursuant to s. 112.322(3)(a), for purposes of
29 this subsection the opinion shall be considered final action.

30 (27)~~(21)~~ Adopt by rule a code of ethics for officers
31 and employees of the department which supplements the

1 standards of conduct for public officers and employees imposed
2 by law.

3 Section 5. Section 24.1055, Florida Statutes, is
4 amended to read:

5 24.1055 Prohibition against sale of lottery tickets to
6 minors; posting of signs; penalties.--

7 (1) No person who is less than 18 years of age may
8 purchase a lottery ticket by means of a machine or otherwise.

9 (2) Any retailer that sells lottery tickets by means
10 of a player activated machine shall post a clear and
11 conspicuous sign on such machine, which states the following:

12 THE SALE OF LOTTERY TICKETS TO PERSONS UNDER
13 THE AGE OF 18 IS AGAINST FLORIDA LAW (SECTION
14 24.1055 ~~24.105~~, FLORIDA STATUTES). PROOF OF
15 AGE IS REQUIRED FOR PURCHASE.

16 (3) No person who is less than 18 years of age may
17 play a video lottery game authorized by this chapter.

18 (4) Any video lottery retailer that has a video
19 lottery terminal at its facility shall post a clear and
20 conspicuous sign on such terminal, which states the following:

21 THE USE OF A VIDEO LOTTERY TERMINAL BY PERSONS
22 UNDER THE AGE OF 18 IS AGAINST FLORIDA LAW
23 (SECTION 24.1055, FLORIDA STATUTES). PROOF OF
24 AGE IS REQUIRED FOR USE.

25 (5)~~(3)~~ Any person, including any vendor or video
26 lottery retailer, who violates this section is guilty of a
27 misdemeanor of the second degree, punishable as provided in s.
28 775.082 or s. 775.083.

29 Section 6. Subsections (5) and (7) of section 24.108,
30 Florida Statutes, are amended to read:

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1 24.108 Division of Security; duties; security
2 report.--

3 (5) The Department of Law Enforcement shall provide
4 assistance in obtaining criminal history information relevant
5 to investigations required for honest, secure, and exemplary
6 lottery operations, and such other assistance as may be
7 requested by the secretary and agreed to by the executive
8 director of the Department of Law Enforcement. Any other state
9 agency, including the Department of Business and Professional
10 Regulation and the Department of Revenue, shall, upon request,
11 provide the Department of the Lottery with any information
12 relevant to any investigation conducted pursuant to this
13 chapter ~~act~~. The Department of the Lottery shall maintain the
14 confidentiality of any confidential information it receives
15 from any other agency. The Department of the Lottery shall
16 reimburse any agency for the actual cost of providing any
17 assistance pursuant to this subsection.

18 (7)(a) After the first full year of sales of tickets
19 to the public, or sooner if the secretary deems necessary, the
20 department shall engage an independent firm experienced in
21 security procedures, including, but not limited to, computer
22 security and systems security, to conduct a comprehensive
23 study and evaluation of all aspects of security in the
24 operation of the department.

25 (b) The portion of the security report containing the
26 overall evaluation of the department in terms of each aspect
27 of security shall be presented to the commission, the
28 Governor, the President of the Senate, and the Speaker of the
29 House of Representatives. The portion of the security report
30 containing specific recommendations shall be confidential and
31 shall be presented only to the secretary, the commission, the

1 Governor, and the Auditor General; however, upon certification
2 that such information is necessary for the purpose of
3 effecting legislative changes, such information shall be
4 disclosed to the President of the Senate and the Speaker of
5 the House of Representatives, who may disclose such
6 information to members of the Legislature and legislative
7 staff as necessary to effect such purpose. However, any person
8 who receives a copy of such information or other information
9 which is confidential pursuant to this chapter act or rule of
10 the department shall maintain its confidentiality. The
11 confidential portion of the report is exempt from the
12 provisions of s. 119.07(1) and s. 24(a), Art. I of the State
13 Constitution.

14 (c) Thereafter, similar studies of security shall be
15 conducted as the department deems appropriate but at least
16 once every 2 years.

17 Section 7. Subsection (1) of section 24.111, Florida
18 Statutes, 1998 Supplement, is amended to read:

19 24.111 Vendors; disclosure and contract
20 requirements.--

21 (1) The department may enter into contracts for the
22 purchase, lease, or lease-purchase of such goods or services
23 as are necessary for effectuating the purposes of this chapter
24 act. The department may not contract with any person or
25 entity for the total operation and administration of the state
26 lottery established by this chapter act but may make
27 procurements which integrate functions such as lottery game
28 design, supply of goods and services, and advertising. In all
29 procurement decisions, the department shall take into account
30 the particularly sensitive nature of the state lottery and
31 shall consider the competence, quality of product, experience,

1 and timely performance of the vendors in order to promote and
2 ensure security, honesty, fairness, and integrity in the
3 operation and administration of the lottery and the objective
4 of raising net revenues for the benefit of the public purpose
5 described in this chapter act.

6 Section 8. Section 24.1121, Florida Statutes, is
7 created to read:

8 24.1121 Video lottery games.--

9 (1) Video lottery games may only be offered by a video
10 lottery retailer at its pari-mutuel facility. During any
11 calendar year in which a video lottery retailer maintains
12 video lottery terminals within the confines of its pari-mutuel
13 facility, the video lottery retailer must conduct a full
14 schedule of live racing or games as defined in s. 550.002(11)
15 or be authorized to receive broadcasts of horseraces pursuant
16 to s. 550.615. In the case of a person who possesses a
17 greyhound racing permit or a jai alai permit, such person
18 shall be eligible to serve as a video lottery retailer only if
19 that permitholder has also conducted, during the prior fiscal
20 year, no fewer than 80 percent of the number of performances
21 and no fewer than 80 percent of the number of live races or
22 games which the same permitholder conducted during the
23 1997-1998 state fiscal year. The department may waive the
24 requirements provided in this subsection relating to the
25 conducting of live races or games upon a showing that the
26 failure to conduct such games resulted from a natural disaster
27 or other acts beyond the control of the permitholder. If the
28 video lottery retailer fails to comply with the requirement to
29 conduct a full schedule of races or games or, if a greyhound
30 racing permitholder or jai alai permitholder, the video
31 lottery retailer failed in the previous fiscal year to conduct

1 the required number of live races or games, within 30 days
2 after written notice from the department, the department shall
3 order the video lottery retailer to suspend its video lottery
4 operation. The department may assess an administrative fine
5 not to exceed \$5,000 per video lottery terminal, per day,
6 against any video lottery retailer who fails to suspend its
7 video lottery operation when ordered to suspend by the
8 department. The department may enforce its order of suspension
9 or any administrative fine assessed in furtherance of such
10 order as provided in s. 120.69. Each video lottery retailer
11 shall post a bond payable to the state in an amount determined
12 by the department that is sufficient to guarantee payment to
13 the state of revenue due in any payment period.

14 (2) Each pari-mutuel permitholder shall notify the
15 department prior to operating video lottery games at the
16 pari-mutuel facility.

17 (3) To facilitate the auditing and security programs
18 critical to the integrity of the video lottery system, the
19 department shall have overall control of the entire system.
20 Each video lottery terminal shall be linked, directly or
21 indirectly, to a computer system under the control of the
22 department.

23 (4) The department shall determine, by rule, the
24 method by which cash receipts will be electronically validated
25 and redeemed.

26 (5) No person under the age of 18 years may play a
27 video lottery game authorized by this chapter.

28 (6) Video lottery games may be played at an authorized
29 video lottery retailer's pari-mutuel facility even if such
30 retailer is not conducting a pari-mutuel event.

31

1 (7) Video lottery games shall pay out a minimum of 88
2 percent and no more than 99 percent of the amount of cash,
3 tokens, credits, or vouchers put into a video lottery
4 terminal. The department may permit the payment of a lesser
5 percentage if requested by a video lottery retailer and the
6 department determines that the payment of a minimum of 88
7 percent is not financially viable at the video lottery
8 retailer's location and that the total amount of net revenue
9 payable to the Public Education Capital Outlay and Debt
10 Service Trust Fund will not be negatively impacted. Such
11 percentages shall be measured on an annual basis.

12 (8) Income derived from video lottery operations shall
13 not be subject to the provisions of s. 24.121. The allocation
14 of net terminal income derived from video lottery games shall
15 be as follows:

16 (a) Thirty-eight percent to the Video Lottery
17 Administrative Trust Fund of the department for transfer to
18 the Public Education Capital Outlay and Debt Service Trust
19 Fund.

20 (b) Two percent to the Video Lottery Administrative
21 Trust Fund of the department for transfer to the
22 Administrative Trust Fund established pursuant to s. 24.120.

23 (c) Eight percent to the Video Lottery Administrative
24 Trust Fund of the department for transfer to the Video Lottery
25 Purse Trust Fund in the Department of Business and
26 Professional Regulation, to be distributed in accordance with
27 s. 550.26315(1).

28 (d) To the Video Lottery Administrative Trust Fund of
29 the department for transfer to the Department of Health, 0.25
30 percent for the establishment and administration of a
31 treatment program for gambling addiction.

1 (e) If the video lottery retailer holds a valid
2 thoroughbred permit under chapter 550, 20 percent of its net
3 terminal income shall be remitted to the Video Lottery
4 Thoroughbred Trust Fund in the Department of Business and
5 Professional Regulation, to be distributed in accordance with
6 s. 550.26325.

7 (f) To be retained by the video lottery retailer as
8 compensation:

9 1. If a valid thoroughbred permitholder under chapter
10 550, 31.75 percent.

11 2. If a holder of a valid harness racing permit under
12 chapter 550, 45.75 percent.

13 3. If a valid holder of a permit other than a
14 thoroughbred permit or harness racing permit, 45.75 percent.

15 (g) If the video lottery retailer holds a valid
16 harness racing permit under chapter 550, 6 percent of its net
17 terminal income shall be distributed by the video lottery
18 retailer as purses for live performances conducted at the
19 video lottery retailer's pari-mutuel facility in accordance
20 with the provisions of chapter 550.

21 (h) If the video lottery retailer holds a valid jai
22 alai permit under chapter 550, 6 percent of its net terminal
23 income shall be distributed by the video lottery retailer as
24 purses for live performances conducted at the video lottery
25 retailer's pari-mutuel facility in accordance with chapter
26 550.

27 (i) If the video lottery retailer holds a valid
28 greyhound racing permit under chapter 550, 6 percent of its
29 net terminal income shall be distributed by the video lottery
30 retailer as purses for live performances conducted at the
31

1 video lottery retailer's pari-mutuel facility in accordance
2 with chapter 550.

3 (9) The allocation provided in subsection (8) shall be
4 made weekly. Amounts allocated pursuant to paragraphs
5 (8)(a)-(e) shall be remitted to the department by electronic
6 transfer within 24 hours after the allocation is determined.
7 If live meets were conducted at the pari-mutuel facility of
8 the video lottery retailer during the weekly period for which
9 the allocation is made, the portion of the allocation to be
10 distributed pursuant to paragraphs (8)(g), (h), and (i) shall
11 be paid as purses for those live meets. If no live meets were
12 conducted at the pari-mutuel facility during the weekly period
13 for which the allocation is made, the distribution of purse
14 money shall be made during the next ensuing meet following the
15 weekly period in which the net terminal income is earned. The
16 accumulated amount to be distributed as purses during the next
17 ensuing meet shall be distributed weekly during the
18 permitholder's next race meeting in an amount determined by
19 dividing the amount to be distributed by the number of
20 performances approved for the permitholder pursuant to its
21 annual license and multiplying that amount by the number of
22 performances conducted each week. No less than one-half of the
23 interest income earned on funds required to be distributed
24 under paragraphs (8)(g), (h), and (i) prior to their
25 distribution as purses shall be distributed by the video
26 lottery retailer as purses for live performances conducted at
27 the video lottery retailer's pari-mutuel facility in
28 accordance with chapter 550.

29 (10) Any person who, with intent to manipulate the
30 outcome, payoff, or operation of a video lottery terminal,
31 manipulates or attempts to manipulate the outcome, payoff, or

1 operation of a video lottery terminal by physical or
2 electronic tampering or other means commits a felony of the
3 third degree, punishable as provided in s. 775.082, s.
4 775.083, or s. 775.084.

5 (11) Notwithstanding s. 24.115, each video lottery
6 retailer shall have the responsibility for payment of video
7 lottery prizes.

8 (12) In any area or room in a facility in which a
9 video lottery terminal is placed, the video lottery retailer
10 must also place video monitors displaying the live races or
11 games of that facility, if such are being conducted, or
12 displaying available simulcast races or games, if no live
13 races or games are being conducted. In each such area or
14 room, the video lottery retailer shall also provide a means by
15 which patrons may wager on pari-mutuel activity.

16 Section 9. Section 24.1122, Florida Statutes, is
17 created to read:

18 24.1122 Licensure of video lottery terminal
19 vendors.--Video lottery terminal vendors shall be licensed by
20 the Department of the Lottery, and, by August 1, 1999, the
21 department shall adopt rules governing such licensure. The
22 department shall not license any person as a video lottery
23 terminal vendor if such person has an interest in a video
24 lottery retailer or a business relationship with a video
25 lottery retailer other than as a vendor or lessor of video
26 lottery terminals.

27 Section 10. Section 24.1123, Florida Statutes, is
28 created to read:

29 24.1123 Local zoning of pari-mutuel facilities.--The
30 installation, operation, or use of a video lottery terminal on
31 any property on which pari-mutuel operations were or would

1 have been lawful under any county or municipal zoning
2 ordinance as of July 1, 1997, shall not be deemed to change
3 the character of the use of such property and shall not be
4 prohibited on such property by any local zoning ordinance or
5 amendments thereto.

6 Section 11. Section 24.1124, Florida Statutes, is
7 created to read:

8 24.1124 Video lottery terminals.--

9 (1) Video lottery terminals shall not be offered for
10 use or play in this state unless approved by the department.

11 (2) Video lottery terminals approved for use in this
12 state shall:

13 (a) Be protected against manipulation to affect the
14 random probabilities of winning plays.

15 (b) Have one or more mechanisms that accept coins,
16 currency, tokens, or vouchers in exchange for game credits.
17 Such mechanisms shall be designed to prevent players from
18 obtaining credits by means of physical tampering.

19 (c) Be capable of suspending play until reset at the
20 direction of the department as a result of physical tampering.

21 (d) Be capable of being linked to the department's
22 central computer communications system for the purpose of
23 auditing of the operation, financial data, and program
24 information as required by the department.

25 Section 12. Section 24.1125, Florida Statutes, is
26 created to read:

27 24.1125 Video lottery terminal training program.--

28 (1) Every licensed video lottery terminal vendor shall
29 submit a training program for the service and maintenance of
30 such terminals and equipment for approval by the department.

31 The training program shall include an outline of the training

1 curriculum, a list of instructors and their qualifications, a
2 copy of the instructional materials, and the dates, times, and
3 location of training classes. No service and maintenance
4 program shall be held unless approved by the department.

5 (2) Every video lottery terminal service employee
6 shall complete the requirements of the manufacturer's training
7 program before such employee performs service, maintenance, or
8 repair on video lottery terminals or video lottery terminal
9 associated equipment. Upon the successful completion by a
10 service employee of the training program required by this
11 section, the department shall issue a certificate authorizing
12 such employee to service, maintain, and repair video lottery
13 terminals and video lottery terminal associated equipment. No
14 certificate of completion shall be issued to any video lottery
15 terminal service employee until the department has ascertained
16 that such employee has completed the required training
17 program. Any person certified as a video lottery terminal
18 service employee under this section shall pass a background
19 investigation conducted under the rules of the department. The
20 department may revoke certification upon finding a video
21 lottery terminal service employee in violation of any
22 provision of this chapter or a department rule.

23 (3) The department is authorized to adopt rules
24 regarding the training, qualifications, and certification of
25 video lottery terminal service employees, as provided in this
26 section.

27 Section 13. Section 24.117, Florida Statutes, is
28 amended to read:

29 24.117 Unlawful sale of lottery tickets; penalty.--Any
30 person who knowingly:
31

1 (1) Sells a state lottery ticket when not authorized
2 by the department or this act to engage in such sale;

3 (2) Sells a state lottery ticket to a minor or permits
4 a minor to use a video lottery terminal; or

5 (3) Sells a state lottery ticket at any price other
6 than that established by the department;

7
8 is guilty of a misdemeanor of the first degree, punishable as
9 provided in s. 775.082 or s. 775.083.

10 Section 14. Subsection (4) of section 24.118, Florida
11 Statutes, is amended to read:

12 24.118 Other prohibited acts; penalties.--

13 (4) BREACH OF CONFIDENTIALITY.--Any person who, with
14 intent to defraud or with intent to provide a financial or
15 other advantage to himself, herself, or another, knowingly and
16 willfully discloses any information relating to the lottery
17 designated as confidential and exempt from the provisions of
18 s. 119.07(1) pursuant to this chapter ~~act~~ is guilty of a
19 felony of the first degree, punishable as provided in s.
20 775.082, s. 775.083, or s. 775.084.

21 Section 15. Subsection (1) of section 24.120, Florida
22 Statutes, is amended to read:

23 24.120 Financial matters; Administrative Trust Fund;
24 interagency cooperation.--

25 (1) There is hereby created in the State Treasury an
26 Administrative Trust Fund to be administered in accordance
27 with chapters 215 and 216 by the department. All money
28 received by the department which remains after payment of
29 prizes and initial compensation paid to retailers shall be
30 deposited into the Administrative Trust Fund. All moneys in
31

1 the trust fund are appropriated to the department for the
2 purposes specified in this chapter act.

3 Section 16. Section 24.122, Florida Statutes, is
4 amended to read:

5 24.122 Exemption from taxation; state preemption;
6 inapplicability of other laws.--

7 (1) This chapter act shall not be construed to
8 authorize any lottery except the lotteries ~~lottery~~ operated or
9 directed by the department pursuant to this chapter act.

10 (2) No state or local tax shall be imposed upon any
11 prize paid or payable under this chapter act or upon the sale
12 of any lottery ticket or the installation, rental, or use of
13 any video lottery terminal pursuant to this chapter act.

14 (3) All matters relating to the operation of the state
15 lottery are preempted to the state, and no county,
16 municipality, or other political subdivision of the state
17 shall enact any ordinance relating to the operation of the
18 lottery authorized by this chapter act. However, this
19 subsection shall not prohibit a political subdivision of the
20 state from requiring a retailer to obtain an occupational
21 license for any business unrelated to the sale of lottery
22 tickets.

23 (4) Any state or local law providing any penalty,
24 disability, restriction, or prohibition for the possession,
25 manufacture, transportation, distribution, advertising, or
26 sale of any lottery ticket, including chapter 849, shall not
27 apply to the tickets of the state lottery operated pursuant to
28 this chapter act; nor shall any such law apply to the
29 possession of a ticket issued by any other government-operated
30 lottery. In addition, activities of the department under this
31 chapter act are exempt from the provisions of:

1 (a) Chapter 616, relating to public fairs and
2 expositions.

3 (b) Chapter 946, relating to correctional work
4 programs.

5 (c) Chapter 282, relating to communications and data
6 processing.

7 (d) Section 110.131, relating to other personal
8 services.

9 Section 17. Subsection (24) of section 212.02, Florida
10 Statutes, 1998 Supplement is amended to read:

11 212.02 Definitions.--The following terms and phrases
12 when used in this chapter have the meanings ascribed to them
13 in this section, except where the context clearly indicates a
14 different meaning:

15 (24) "Coin-operated amusement machine" means any
16 machine operated by coin, slug, token, coupon, or similar
17 device for the purposes of entertainment or amusement. The
18 term includes, but is not limited to, coin-operated pinball
19 machines, music machines, juke boxes, mechanical games, video
20 games, arcade games, billiard tables, moving picture viewers,
21 shooting galleries, and all other similar amusement devices.
22 The term does not include a video lottery terminal approved
23 pursuant to chapter 24.

24 Section 18. Section 550.26315, Florida Statutes, is
25 created to read:

26 550.26315 Administration of the Video Lottery Purse
27 Trust Fund.--

28 (1) Fifty-eight percent of the proceeds of the Video
29 Lottery Purse Trust Fund shall be transferred to the Video
30 Lottery Thoroughbred Trust Fund.

31

1 (2) Forty-two percent of the proceeds of the Video
2 Lottery Purse Trust Fund shall be distributed to pari-mutuel
3 permitholders to be distributed as purses at their respective
4 pari-mutuel facilities as follows:

5 (a) Eight percent shall be distributed to holders of
6 valid harness racing permits;

7 (b) Seven percent shall be distributed to holders of
8 valid jail alai permits;

9 (c) Twenty-seven percent shall be distributed to
10 holders of valid greyhound racing permits.

11
12 Each permitholder entitled to receive distributions under a
13 paragraph of this subsection shall receive a percentage of the
14 amount to be distributed under that paragraph which is
15 determined by dividing the amounts paid in purses by such
16 permitholder during the state fiscal year 1997-1998 by the
17 amount of purses paid by all such permitholders statewide
18 during the state fiscal year 1997-1998.

19 (3) All proceeds distributed under this section are in
20 addition to and supplement the other funds set forth in this
21 chapter for use as purses, awards, and, in the case of jai
22 alai, player compensation.

23 (4) Of amounts to be distributed pursuant to this
24 section and s. 24.1121(8)(i) to persons holding valid
25 greyhound racing permits, 10 percent of such sums shall be
26 distributed as additional purses on all live races at each
27 facility to Florida-bred greyhounds in a manner similar to the
28 distribution of regular purses and in accordance with rules
29 adopted by the division.

30 (5) The department is authorized to adopt rules to
31 provide for the equitable distribution of funds by

1 permitholders for purses, awards, or jai alai player
2 compensation, in accordance with the provisions of this
3 section.

4 Section 19. Section 550.26325, Florida Statutes, is
5 created to read:

6 550.26325 Distribution of funds from Video Lottery
7 Thoroughbred Trust Fund.--The proceeds of the Video Lottery
8 Thoroughbred Trust Fund shall be distributed as follows:

9 (1) For use as Florida thoroughbred breeders' and
10 stallion awards pursuant to ss. 550.26165 and 550.2625: 6.6
11 percent. The Florida Thoroughbred Breeders' Association may,
12 in accordance with s. 550.2625(3), deduct a fee for
13 administering the payment of awards and for general promotion
14 of the industry.

15 (2) The remainder shall be divided proportionally
16 among the thoroughbred permitholders for use as purses based
17 upon the number of racing days each permitholder conducted
18 during the state fiscal year ending June 30, 1998. The number
19 of racing days used in this calculation shall be adjusted on
20 July 1, 2003, and every 5 years thereafter, to provide for a
21 proportional division based upon the average annual number of
22 racing days conducted by each permitholder during the
23 preceding 5 state fiscal years.

24 Section 20. Paragraphs (d) and (e) of subsection (2)
25 of section 550.2625, Florida Statutes, 1998 Supplement, are
26 amended, and paragraph (f) is added to that subsection, to
27 read:

28 550.2625 Horseracing; minimum purse requirement,
29 Florida breeders' and owners' awards.--

30 (2) Each permitholder conducting a horserace meet is
31 required to pay from the takeout withheld on pari-mutuel pools

1 a sum for purses in accordance with the type of race
2 performed.

3 (d) The division shall adopt reasonable rules to
4 ensure the timely and accurate payment of all amounts withheld
5 by horserace permitholders regarding the distribution of
6 purses, Florida breeders' and stallion awards, and Florida
7 owners' awards, and all other amounts received or collected
8 for payment to owners and breeders, including video lottery
9 proceeds. Each permitholder that fails to pay out during its
10 meet all moneys received or collected for payment to owners
11 and breeders during that meet shall, within 30 ~~10~~ days after
12 the end of the meet during which the underpayment occurred
13 ~~permitholder underpaid purses~~, deposit an amount equal to the
14 underpayment into a separate interest-bearing account to be
15 distributed to owners and breeders in accordance with division
16 rules. Any permitholder paying out during its meet less than
17 90 percent of all moneys received or collected for payment to
18 owners and breeders during that meet shall be subject to an
19 administrative fine in an amount equal to double the amount of
20 the underpayment. Within 30 days after the end of its meet,
21 each permitholder shall be required to file with the division
22 an audited accounting reflecting the receipt and payment of
23 all sums dedicated to purses, Florida breeders' and stallion
24 awards, and Florida owners' awards.

25 (e) An amount equal to 8.5 percent of the purse
26 account generated through video lottery proceeds pursuant to
27 s. 550.26325(2), intertrack wagering and interstate
28 simulcasting will be used for Florida Owners' Awards as set
29 forth in subsection (3). ~~Any thoroughbred permitholder with an~~
30 ~~average blended takeout which does not exceed 20 percent and~~
31 ~~with an average daily purse distribution excluding~~

1 ~~sponsorship, entry fees, and nominations exceeding \$225,000 is~~
2 ~~exempt from the provisions of this paragraph.~~

3 (f) The division shall adopt reasonable rules to
4 ensure the timely and accurate payment of all amounts received
5 or collected by a horsemen's or breeders' association for
6 payment to owners and breeders, including video lottery
7 proceeds. Each horsemen's or breeders' association that fails
8 to pay out during the calendar year all moneys received or
9 collected for payment to owners and breeders during that year
10 shall, within 30 days after the end of the calendar year
11 during which the underpayment occurred, deposit an amount
12 equal to the underpayment into a separate interest-bearing
13 account to be distributed to owners or breeders in accordance
14 with division rules. Any horsemen's or breeders' association
15 paying out during the calendar year less than 90 percent of
16 all moneys received or collected for payment to owners and
17 breeders during that calendar year shall be subject to an
18 administrative fine in an amount equal to double the amount of
19 the underpayment. Within 60 days after the end of the calendar
20 year, each permitholder shall be required to file with the
21 division an audited accounting reflecting the receipt and
22 payment of all sums received and collected for payment to
23 owners and breeders.

24 Section 21. Section 550.401, Florida Statutes, is
25 created to read:

26 550.401 Limited prohibition on termination of kennel
27 operators.--A greyhound track may not terminate a kennel
28 operator, other than for breach of contract that remains in
29 breach 15 days following the delivery in writing of notice of
30 such breach to the kennel operator, for 12 months following
31 the first period that purse payments are made pursuant to the

1 provisions of s. 550.26315. Thereafter, only those kennel
2 operators can be terminated without cause whose kennel
3 occupies one of the bottom three positions based on total
4 number of wins for two consecutive racing seasons, which may
5 include the 12-month period following the first period that
6 purse payments are made pursuant to the provisions of s.
7 550.26315.

8 Section 22. Subsections (3) and (4) of section
9 550.615, Florida Statutes, 1998 Supplement, are amended to
10 read:

11 550.615 Intertrack wagering.--

12 (3)(a) If a permitholder who operates as a video
13 lottery retailer as defined in s. 24.103 elects to broadcast
14 its signal to any permitholder in this state, any
15 permitholder, not located in the same county as the host
16 track, that is eligible to conduct intertrack wagering under
17 the provisions of ss. 550.615-550.6345 is entitled to receive
18 the broadcast and conduct intertrack wagering under this
19 section; however, the host track may require a guest track
20 within 25 miles of another permitholder to receive in any week
21 at least 60 percent of the live races that the host track is
22 making available on the days that the guest track is otherwise
23 operating live races or games. A host track may require a
24 guest track not operating live races or games and within 25
25 miles of another permitholder to accept within any week at
26 least 60 percent of the live races that the host track is
27 making available. A permitholder may, pursuant to a written
28 contract, elect to broadcast its signal to any permitholder in
29 this state located within the same county as the host track,
30 provided that where a thoroughbred permitholder is the host
31 track, any such contract must be approved by the horsemen's

1 association, as defined in s. 550.2614.A person may not
2 restrain or attempt to restrain any permitholder that is
3 otherwise authorized to conduct intertrack wagering from
4 receiving the signal of any other permitholder or sending its
5 signal to any permitholder.

6 (b) If a permitholder who does not operate as a video
7 lottery retailer as defined in s. 24.103 elects to broadcast
8 its signal to any permitholder in this state, any permitholder
9 that is eligible to conduct intertrack wagering under the
10 provisions of ss. 550.615-550.6345 is entitled to receive the
11 broadcast and conduct intertrack wagering under this section;
12 provided, however, that the host track may require a guest
13 track within 25 miles of another permitholder to receive in
14 any week at least 60 percent of the live races that the host
15 track is making available on the days that the guest track is
16 otherwise operating live races or games. A host track may
17 require a guest track not operating live races or games and
18 within 25 miles of another permitholder to accept within any
19 week at least 60 percent of the live races that the host track
20 is making available. A person may not restrain or attempt to
21 restrain any permitholder that is otherwise authorized to
22 conduct intertrack wagering from receiving the signal of any
23 other permitholder or sending its signal to any permitholder.

24 (4) In no event shall any intertrack wager be accepted
25 on the same class of live or simulcast races or games of any
26 permitholder without the written consent of such operating
27 permitholders conducting the same class of live or simulcast
28 races or games if the guest track is within the market area of
29 such operating permitholder.

30
31

1 Section 23. Paragraph (g) of subsection (9) of section
2 550.6305, Florida Statutes, 1998 Supplement, is amended to
3 read:

4 550.6305 Intertrack wagering; guest track payments;
5 accounting rules.--

6 (9) A host track that has contracted with an
7 out-of-state horse track to broadcast live races conducted at
8 such out-of-state horse track pursuant to s. 550.3551(5) may
9 broadcast such out-of-state races to any guest track and
10 accept wagers thereon in the same manner as is provided in s.
11 550.3551.

12 (g)~~1~~. Any thoroughbred permitholder which accepts
13 wagers on a simulcast signal must make the signal available to
14 any permitholder that is located in a county other than the
15 county in which the permitholder providing the signal is
16 located and that is eligible to conduct intertrack wagering
17 under the provisions of ss. 550.615-550.6345.

18 ~~2. Any thoroughbred permitholder which accepts wagers~~
19 ~~on a simulcast signal received after 6 p.m. must make such~~
20 ~~signal available to any permitholder that is eligible to~~
21 ~~conduct intertrack wagering under the provisions of ss.~~
22 ~~550.615-550.6345, including any permitholder located as~~
23 ~~specified in s. 550.615(6). Such guest permitholders are~~
24 ~~authorized to accept wagers on such simulcast signal,~~
25 ~~notwithstanding any other provision of this chapter to the~~
26 ~~contrary.~~

27 ~~3. Any thoroughbred permitholder which accepts wagers~~
28 ~~on a simulcast signal received after 6 p.m. must make such~~
29 ~~signal available to any permitholder that is eligible to~~
30 ~~conduct intertrack wagering under the provisions of ss.~~
31 ~~550.615-550.6345, including any permitholder located as~~

1 ~~specified in s. 550.615(9). Such guest permitholders are~~
2 ~~authorized to accept wagers on such simulcast signals for a~~
3 ~~number of performances not to exceed that which constitutes a~~
4 ~~full schedule of live races for a quarter horse permitholder~~
5 ~~pursuant to s. 550.002(11), notwithstanding any other~~
6 ~~provision of this chapter to the contrary, except that the~~
7 ~~restrictions provided in s. 550.615(9)(a) apply to wagers on~~
8 ~~such simulcast signals.~~

9
10 No thoroughbred permitholder shall be required to continue to
11 rebroadcast a simulcast signal to any in-state permitholder if
12 the average per performance gross receipts returned to the
13 host permitholder over the preceding 30-day period were less
14 than \$100. Subject to the provisions of s. 550.615(4), as a
15 condition of receiving rebroadcasts of thoroughbred simulcast
16 signals under this paragraph, a guest permitholder must accept
17 intertrack wagers on all live races conducted by all
18 then-operating thoroughbred permitholders.

19 Section 24. Subsection (5) of section 565.02, Florida
20 Statutes, is amended to read:

21 565.02 License fees; vendors; clubs; caterers; and
22 others.--

23 (5) A caterer at a horse or dog racetrack or jai alai
24 fronton may obtain a license upon the payment of an annual
25 state license tax of \$675. Such caterer's license shall permit
26 sales only within the enclosure in which such races or jai
27 alai games are conducted, and such licensee shall be permitted
28 to sell ~~only~~ during the period beginning 10 days before and
29 ending 10 days after racing or jai alai under the authority of
30 the Division of Pari-mutuel Wagering of the Department of
31 Business and Professional Regulation is conducted at such

