

By Senator Geller

29-1293-02

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

1 | agreements; providing for transfer of funds
2 | into the Public Education Capital Outlay and
3 | Debt Service Trust Fund and to counties where
4 | the pari-mutuel facilities are located;
5 | prohibiting manipulation or attempted
6 | manipulation of lottery games or terminals;
7 | providing criminal penalties; providing for
8 | payment of prizes; prohibiting isolation of
9 | video lottery terminals in pari-mutuel
10 | facilities; creating s. 24.1122, F.S.;
11 | providing for licensure of video lottery
12 | terminal vendors; creating s. 24.1123, F.S.;
13 | prohibiting certain zoning changes by local
14 | governments; creating s. 24.1124, F.S.,
15 | relating to video lottery terminals; requiring
16 | that such terminals be approved by the
17 | department; providing technical specifications;
18 | creating s. 24.1125, F.S.; providing for
19 | training and certification of video lottery
20 | terminal service employees; providing
21 | rulemaking authority; amending s. 24.117, F.S.;
22 | prohibiting knowingly permitting use of video
23 | lottery terminals by minors; providing criminal
24 | penalties; amending s. 24.122, F.S.;
25 | prohibiting state and local taxation of the
26 | installation, rental, or use of video lottery
27 | terminals; amending s. 212.02, F.S.; providing
28 | that video lottery terminals are not
29 | coin-operated amusement machines for the
30 | purpose of taxation; creating s. 550.26315,
31 | F.S., relating to the administration of the

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

1 intertrack contracts; requiring written consent
2 of certain permitholders relating to intertrack
3 wagering; amending s. 550.6305, F.S.; providing
4 that pari-mutuel facilities are not required to
5 broadcast their intertrack signals to other
6 facilities located within 25 miles; repealing
7 additional requirements and authority provided
8 in relation to intertrack wagering on nighttime
9 thoroughbred races; amending s. 550.6308, F.S.;
10 authorizing an intertrack wagering licensee to
11 conduct intertrack wagering on additional types
12 of races and on additional days if operating as
13 a video lottery retailer; amending s. 565.02,
14 F.S.; providing that pari-mutuel facilities may
15 be licensed to sell alcoholic beverages when
16 conducting video lottery games; directing the
17 Alcohol, Drug Abuse, and Mental Health Program
18 Office within the Department of Children and
19 Family Services to establish a program relating
20 to compulsive gambling, which includes public
21 education, training, prevention, and treatment;
22 creating s. 24.1126, F.S.; requiring video
23 lottery retailers to provide notice of a
24 toll-free problem gambling hotline; providing
25 an effective date.

26
27 WHEREAS, the need for additional classroom construction
28 both now and in the future will require an additional source
29 of revenue to meet that need, and

30 WHEREAS, the Florida Lottery was authorized by the
31 electors of the state in the Florida Constitution and was

1 enacted by the Legislature, in part, to provide for the
2 enhancement of educational opportunities in this state, and
3 WHEREAS, the authorization of video lottery games as an
4 expansion of the state lottery would provide additional
5 funding which could, and should, help to address the unmet
6 need for construction, renovation, and maintenance of
7 educational facilities in this state, and

8 WHEREAS, the electors of this state have overwhelmingly
9 rejected the establishment of casinos in this state, and

10 WHEREAS, the pari-mutuel industry has provided
11 employment, entertainment, and financial resources to the
12 state for over 75 years, and has been a vital part of the
13 tourism industry, and

14 WHEREAS, the pari-mutuel industry permitholders are
15 strictly licensed and regulated by the state and have
16 established a lengthy record of complying with the laws of
17 this state, and

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

20 WHEREAS, there are a limited number of pari-mutuel
21 permits in the state, and

22 WHEREAS, the Legislature has determined that permitting
23 video lottery terminals in licensed pari-mutuel facilities
24 will provide needed revenue for the construction of
25 educational facilities, enhance the economic vitality of the
26 pari-mutuel industry and the economic vitality of the state as
27 a whole, and ensure the protection of the public interests,

28 NOW, THEREFORE,

29

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

31

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

3 24.101 Short title.--This chapter act may be cited as
4 the "Florida Public Education Lottery Chapter Act."

5 Section 2. Section 24.102, Florida Statutes, is
6 amended to read:

7 24.102 Purpose and intent.--

8 (1) The purpose of this chapter act is to implement s.
9 15, Art. X of the State Constitution in a manner that enables
10 the people of the state to benefit from significant additional
11 moneys for education and also enables the people of the state
12 to play the best lottery games available.

13 (2) The intent of the Legislature is:

14 (a) That the net proceeds of lottery games conducted
15 pursuant to this chapter act be used to support improvements
16 in public education and that such proceeds not be used as a
17 substitute for existing resources for public education.

18 (b) That the lottery games be operated by a department
19 of state government that functions as much as possible in the
20 manner of an entrepreneurial business enterprise. The
21 Legislature recognizes that the operation of a lottery is a
22 unique activity for state government and that structures and
23 procedures appropriate to the performance of other
24 governmental functions are not necessarily appropriate to the
25 operation of a state lottery.

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

28 (d) That the department be accountable to the
29 Legislature and the people of the state through a system of
30 audits and reports and through compliance with financial
31 disclosure, open meetings, and public records laws.

1 Section 3. Section 24.103, Florida Statutes, is
2 amended to read:

3 24.103 Definitions.--As used in this chapter ~~act~~:

4 (1) "Department" means the Department of the Lottery.

5 (2) "Secretary" means the secretary of the department.

6 (3) "Person" means any individual, firm, association,
7 joint adventure, partnership, estate, trust, syndicate,
8 fiduciary, corporation, or other group or combination and
9 shall include any agency or political subdivision of the
10 state.

11 (4) "Major procurement" means a procurement for a
12 contract for the printing of tickets for use in any lottery
13 game, consultation services for the startup of the lottery,
14 any goods or services involving the official recording for
15 lottery game play purposes of a player's selections in any
16 lottery game involving player selections, any goods or
17 services involving the receiving of a player's selection
18 directly from a player in any lottery game involving player
19 selections, any goods or services involving the drawing,
20 determination, or generation of winners in any lottery game,
21 the security report services provided for in this act, or any
22 goods and services relating to marketing and promotion which
23 exceed a value of \$25,000.

24 (5) "Retailer" means a person who sells lottery
25 tickets on behalf of the department pursuant to a contract.

26 (6) "Vendor" means a person who provides or proposes
27 to provide goods or services to the department, but does not
28 include an employee of the department, a retailer, or a state
29 agency.

30 (7) "Video lottery game" means an electronically
31 simulated game involving any element of chance that is played

1 on a video lottery terminal that, upon insertion of cash,
2 tokens, credits, or voucher, is available to play or simulate
3 a lottery-type game, including, but not limited to, line-up
4 games utilizing a video display and microprocessors, and in
5 which, by means of an element of chance, the player may
6 receive credits that can be redeemed for cash. "Video lottery
7 game" also means an electronically simulated game involving
8 elements of chance and skill that is played on a video lottery
9 terminal that, upon insertion of cash, tokens, credits, or
10 voucher, is available to play or simulate the play of
11 traditional card games including, but not limited to, video
12 poker, utilizing a cathode ray tube or video display screen
13 and microprocessors, and in which the player may win credits
14 that can be redeemed for cash. The term also includes a
15 progressive game, which is any game in which a jackpot grows
16 and accumulates as it is being played on a video lottery
17 terminal, or on a network of video lottery terminals, and in
18 which the outcome is randomly determined by the play of video
19 lottery terminals linked by a central network. A video lottery
20 terminal may use spinning reels or video displays, or both. No
21 video lottery terminal shall directly dispense coins, cash, or
22 tokens.

23 (8) "Video lottery terminal vendor" means any person
24 or entity approved by the department which provides the video
25 lottery terminals to a video lottery retailer or computer
26 functions related to video lottery terminals to the
27 department.

28 (9) "Net terminal income" means currency and other
29 consideration placed into a video lottery terminal minus
30 credits redeemed by players.

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1 (10) "Video lottery retailer" means any person who
2 possesses a pari-mutuel permit on July 1, 2001, issued
3 pursuant to chapter 550, who either has conducted a full
4 schedule of live greyhound, horse, or harness racing between
5 July 1, 2000, and June 30, 2001, as defined by s. 550.002(11),
6 or has conducted at least one full schedule of live jai alai
7 games between January 1, 1990, and June 30, 2001, as defined
8 by s. 550.002(11), or is authorized to receive broadcasts of
9 horseraces pursuant to s. 550.615.

10 Section 4. Section 24.105, Florida Statutes, is
11 amended to read:

12 24.105 Powers and duties of department.--The
13 department shall:

14 (1) Have the authority to sue or be sued in the
15 corporate name of the department and to adopt a corporate seal
16 and symbol.

17 (2) Supervise and administer the operation of the
18 lottery in accordance with the provisions of this chapter act
19 and rules adopted pursuant thereto.

20 (3) For purposes of any investigation or proceeding
21 conducted by the department, have the power to administer
22 oaths, require affidavits, take depositions, issue subpoenas,
23 and compel the attendance of witnesses and the production of
24 books, papers, documents, and other evidence.

25 (4) Submit monthly and annual reports to the Governor,
26 the Treasurer, the President of the Senate, and the Speaker of
27 the House of Representatives disclosing the total lottery
28 revenues, prize disbursements, and other expenses of the
29 department during the preceding month. The annual report
30 shall additionally describe the organizational structure of
31 the department, including its hierarchical structure, and

1 shall identify the divisions and bureaus created by the
2 secretary and summarize the departmental functions performed
3 by each.

4 (5) Adopt by rule a system of internal audits.

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

9 (7) Make a continuing study of the lottery to
10 ascertain any defects of the laws governing the lottery ~~this~~
11 ~~act~~ or rules adopted thereunder which could result in abuses
12 in the administration of the lottery; make a continuing study
13 of the operation and the administration of similar laws in
14 other states and of federal laws which may affect the lottery;
15 and make a continuing study of the reaction of the public to
16 existing and potential features of the lottery.

17 (8) Conduct such market research as is necessary or
18 appropriate, which may include an analysis of the demographic
19 characteristics of the players of each lottery game and an
20 analysis of advertising, promotion, public relations,
21 incentives, and other aspects of communications.

22 (9) Have in place the capacity to support video
23 lottery games at facilities of video lottery retailers
24 beginning no later than October 1, 2002.

25 (10) Hear and decide promptly and in reasonable order
26 all license applications or proceedings for suspension or
27 revocation of licenses.

28 (11) Collect and disburse such revenue due the
29 department as described in this chapter.

30 (12) Certify net terminal income by inspecting
31 records, conducting audits, or any other reasonable means.

1 (13) Provide a list of approved vendors and maintain a
2 current list of all contracts between video lottery terminal
3 vendors and video lottery retailers.

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

7 ~~(15)~~⁽⁹⁾ Adopt rules governing the establishment and
8 operation of the state lottery, including:

9 (a) The type of lottery games to be conducted, except
10 that:

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

15 2. No coins or currency shall be dispensed from any
16 electronic computer terminal or device used in any lottery
17 game.

18 3. Other than as provided in subparagraph 4., no
19 terminal or device may be used for any lottery game which may
20 be operated solely by the player without the assistance of the
21 retailer, except authorized video lottery terminals operated
22 pursuant to this chapter.

23 4. The only player-activated machine which may be
24 utilized is a machine which dispenses instant lottery game
25 tickets following the insertion of a coin or currency by a
26 ticket purchaser. To be authorized a machine must: be under
27 the supervision and within the direct line of sight of the
28 lottery retailer to ensure that the machine is monitored and
29 only operated by persons at least 18 years of age; be capable
30 of being electronically deactivated by the retailer to
31 prohibit use by persons less than 18 years of age through the

1 use of a lockout device that maintains the machine's
2 deactivation for a period of no less than 5 minutes; and be
3 designed to prevent its use or conversion for use in any
4 manner other than the dispensing of instant lottery tickets.
5 Authorized machines may dispense change to players purchasing
6 tickets but may not be utilized for paying the holders of
7 winning tickets of any kind. At least one clerk must be on
8 duty at the lottery retailer while the machine is in
9 operation. However, at least two clerks must be on duty at any
10 lottery location which has violated s. 24.1055.

11 (b) The sales price of tickets.

12 (c) The number and sizes of prizes.

13 (d) The method of selecting winning tickets. However,
14 if a lottery game involves a drawing, the drawing shall be
15 public and witnessed by an accountant employed by an
16 independent certified public accounting firm. The equipment
17 used in the drawing shall be inspected before and after the
18 drawing.

19 (e) The manner of payment of prizes to holders of
20 winning tickets.

21 (f) The frequency of drawings or selections of winning
22 tickets.

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

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

26 (i) The manner and amount of compensation of
27 retailers.

28 (j) Such other matters necessary or desirable for the
29 efficient or economical operation of the lottery or for the
30 convenience of the public.

31

1 (k) The regulation of video lottery retailers as
2 pertains to video lottery products.

3 (l) Specifications for video lottery terminals to be
4 approved and authorized as the department deems necessary to
5 maintain the integrity of video lottery games and terminals.
6 Initial rules sufficient to permit the operation of video
7 lotteries and the licensing of video lottery retailers shall
8 be adopted no later than August 1, 2002. The department shall
9 not provide for specifications which would have the result of
10 reducing to fewer than four the number of video lottery
11 terminal vendors who supply terminals which meet the
12 specifications.

13 (m) The licensure and regulation of video lottery
14 terminal vendors. The department shall not approve any person
15 as a video lottery terminal vendor if such person has an
16 interest in a video lottery retailer or a business
17 relationship with a video lottery retailer other than as a
18 vendor or lessor of video lottery terminals.

19 ~~(16)(10)~~ Have the authority to hold copyrights,
20 trademarks, and service marks and enforce its rights with
21 respect thereto.

22 ~~(17)(11)~~ In the selection of games and method of
23 selecting winning tickets, be sensitive to the impact of the
24 lottery upon the pari-mutuel industry and, accordingly, the
25 department may use for any game the theme of horseracing,
26 dogracing, or jai alai and may allow a lottery game to be
27 based upon a horserace, dograce, or jai alai activity so long
28 as the outcome of such lottery game is determined entirely by
29 chance.

30 ~~(18)(12)~~(a) Determine by rule information relating to
31 the operation of the lottery which is confidential and exempt

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

18 (b) Maintain the confidentiality of the street address
19 and the telephone number of a winner, in that such information
20 is confidential and exempt from the provisions of s. 119.07(1)
21 and s. 24(a), Art. I of the State Constitution, unless the
22 winner consents to the release of such information or as
23 provided for in s. 24.115(4) or s. 409.2577.

24 (c) Any information made confidential and exempt from
25 the provisions of s. 119.07(1) under this subsection shall be
26 disclosed to the Auditor General, to the Office of Program
27 Policy Analysis and Government Accountability, or to the
28 independent auditor selected under s. 24.123 upon such
29 person's request therefor. If the President of the Senate or
30 the Speaker of the House of Representatives certifies that
31 information made confidential under this subsection is

1 necessary for effecting legislative changes, the requested
2 information shall be disclosed to him or her, and he or she
3 may disclose such information to members of the Legislature
4 and legislative staff as necessary to effect such purpose.

5 (19)~~(13)~~ Have the authority to perform any of the
6 functions of the Department of Management Services under
7 chapter 255, chapter 273, chapter 281, chapter 283, or chapter
8 287, or any rules adopted under any such chapter, and may
9 grant approvals provided for under any such chapter or rules.

10 If the department finds, by rule, that compliance with any
11 such chapter would impair or impede the effective or efficient
12 operation of the lottery, the department may adopt rules
13 providing alternative procurement procedures. Such
14 alternative procedures shall be designed to allow the
15 department to evaluate competing proposals and select the
16 proposal that provides the greatest long-term benefit to the
17 state with respect to the quality of the products or services,
18 dependability and integrity of the vendor, dependability of
19 the vendor's products or services, security, competence,
20 timeliness, and maximization of gross revenues and net
21 proceeds over the life of the contract.

22 (20)~~(14)~~ Have the authority to acquire real property
23 and make improvements thereon. The title to such property
24 shall be vested in the Board of Trustees of the Internal
25 Improvement Trust Fund. The board shall give the department
26 preference in leasing state-owned lands under the board's
27 control and may not exercise any jurisdiction over lands
28 purchased or leased by the department while such lands are
29 actively used by the department. Actions of the department
30 under this subsection are exempt from the time limitations and
31 deadlines of chapter 253.

1 (21)~~(15)~~ Have the authority to charge fees to persons
2 applying for contracts as vendors or retailers, which fees are
3 reasonably calculated to cover the costs of investigations and
4 other activities related to the processing of the application.

5 (22)~~(16)~~ Enter into contracts for the purchase, lease,
6 or lease-purchase of such goods and services as are necessary
7 for the operation and promotion of the state lottery,
8 including assistance provided by any governmental agency.

9 (23)~~(17)~~ In accordance with the provisions of this
10 chapter act, enter into contracts with retailers so as to
11 provide adequate and convenient availability of tickets to the
12 public for each game.

13 (24)~~(18)~~ Have the authority to enter into agreements
14 with other states for the operation and promotion of a
15 multistate lottery if such agreements are in the best interest
16 of the state lottery. The authority conferred by this
17 subsection is not effective until 1 year after the first day
18 of lottery ticket sales.

19 (25)~~(19)~~ Employ division directors and other staff as
20 may be necessary to carry out the provisions of this chapter
21 act; however:

22 (a) No person shall be employed by the department who
23 has been convicted of, or entered a plea of guilty or nolo
24 contendere to, a felony committed in the preceding 10 years,
25 regardless of adjudication, unless the department determines
26 that:

27 1. The person has been pardoned or his or her civil
28 rights have been restored; or

29 2. Subsequent to such conviction or entry of plea the
30 person has engaged in the kind of law-abiding commerce and
31

1 good citizenship that would reflect well upon the integrity of
2 the lottery.

3 (b) No officer or employee of the department having
4 decisionmaking authority shall participate in any decision
5 involving any vendor or retailer with whom the officer or
6 employee has a financial interest. No such officer or
7 employee may participate in any decision involving any vendor
8 or retailer with whom the officer or employee has discussed
9 employment opportunities without the approval of the secretary
10 or, if such officer is the secretary, without the approval of
11 the Governor. Any officer or employee of the department shall
12 notify the secretary of any such discussion or, if such
13 officer is the secretary, he or she shall notify the Governor.
14 A violation of this paragraph is punishable in accordance with
15 s. 112.317.

16 (c) No officer or employee of the department who
17 leaves the employ of the department shall represent any vendor
18 or retailer before the department regarding any specific
19 matter in which the officer or employee was involved while
20 employed by the department, for a period of 1 year following
21 cessation of employment with the department. A violation of
22 this paragraph is punishable in accordance with s. 112.317.

23 (d) The department shall establish and maintain a
24 personnel program for its employees, including a personnel
25 classification and pay plan which may provide any or all of
26 the benefits provided in the Senior Management Service or
27 Selected Exempt Service. Each officer or employee of the
28 department shall be a member of the Florida Retirement System.
29 The retirement class of each officer or employee shall be the
30 same as other persons performing comparable functions for
31 other agencies. Employees of the department shall serve at

1 the pleasure of the secretary and shall be subject to
2 suspension, dismissal, reduction in pay, demotion, transfer,
3 or other personnel action at the discretion of the secretary.
4 Such personnel actions are exempt from the provisions of
5 chapter 120. All employees of the department are exempt from
6 the Career Service System provided in chapter 110 and,
7 notwithstanding the provisions of s. 110.205(5), are not
8 included in either the Senior Management Service or the
9 Selected Exempt Service. However, all employees of the
10 department are subject to all standards of conduct adopted by
11 rule for career service and senior management employees
12 pursuant to chapter 110. In the event of a conflict between
13 standards of conduct applicable to employees of the Department
14 of the Lottery the more restrictive standard shall apply.
15 Interpretations as to the more restrictive standard may be
16 provided by the Commission on Ethics upon request of an
17 advisory opinion pursuant to s. 112.322(3)(a), for purposes of
18 this subsection the opinion shall be considered final action.

19 (26)~~(20)~~ Adopt by rule a code of ethics for officers
20 and employees of the department which supplements the
21 standards of conduct for public officers and employees imposed
22 by law.

23 Section 5. Section 24.1055, Florida Statutes, is
24 amended to read:

25 24.1055 Prohibition against sale of lottery tickets to
26 minors; posting of signs; penalties.--

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

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

1 THE SALE OF LOTTERY TICKETS TO PERSONS UNDER
2 THE AGE OF 18 IS AGAINST FLORIDA LAW (SECTION
3 24.1055 ~~24.105~~, FLORIDA STATUTES). PROOF OF
4 AGE IS REQUIRED FOR PURCHASE.

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

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

10 THE USE OF A VIDEO LOTTERY TERMINAL BY PERSONS
11 UNDER THE AGE OF 18 IS AGAINST FLORIDA LAW
12 (SECTION 24.1055, FLORIDA STATUTES). PROOF OF
13 AGE IS REQUIRED FOR USE.

14 (5)~~(3)~~ Any person, including any vendor or video
15 lottery retailer, who violates this section is guilty of a
16 misdemeanor of the second degree, punishable as provided in s.
17 775.082 or s. 775.083.

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

20 24.108 Division of Security; duties; security
21 report.--

22 (5) The Department of Law Enforcement shall provide
23 assistance in obtaining criminal history information relevant
24 to investigations required for honest, secure, and exemplary
25 lottery operations, and such other assistance as may be
26 requested by the secretary and agreed to by the executive
27 director of the Department of Law Enforcement. Any other state
28 agency, including the Department of Business and Professional
29 Regulation and the Department of Revenue, shall, upon request,
30 provide the Department of the Lottery with any information
31 relevant to any investigation conducted pursuant to this

1 chapter act. The Department of the Lottery shall maintain the
2 confidentiality of any confidential information it receives
3 from any other agency. The Department of the Lottery shall
4 reimburse any agency for the actual cost of providing any
5 assistance pursuant to this subsection.

6 (7)(a) After the first full year of sales of tickets
7 to the public, or sooner if the secretary deems necessary, the
8 department shall engage an independent firm experienced in
9 security procedures, including, but not limited to, computer
10 security and systems security, to conduct a comprehensive
11 study and evaluation of all aspects of security in the
12 operation of the department.

13 (b) The portion of the security report containing the
14 overall evaluation of the department in terms of each aspect
15 of security shall be presented to the Governor, the President
16 of the Senate, and the Speaker of the House of
17 Representatives. The portion of the security report
18 containing specific recommendations shall be confidential and
19 shall be presented only to the secretary, the Governor, and
20 the Auditor General; however, upon certification that such
21 information is necessary for the purpose of effecting
22 legislative changes, such information shall be disclosed to
23 the President of the Senate and the Speaker of the House of
24 Representatives, who may disclose such information to members
25 of the Legislature and legislative staff as necessary to
26 effect such purpose. However, any person who receives a copy
27 of such information or other information which is confidential
28 pursuant to this chapter act or rule of the department shall
29 maintain its confidentiality. The confidential portion of the
30 report is exempt from the provisions of s. 119.07(1) and s.
31 24(a), Art. I of the State Constitution.

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

4 Section 7. Subsection (1) of section 24.111, Florida
5 Statutes, is amended to read:

6 24.111 Vendors; disclosure and contract
7 requirements.--

8 (1) The department may enter into contracts for the
9 purchase, lease, or lease-purchase of such goods or services
10 as are necessary for effectuating the purposes of this chapter
11 ~~act~~. The department may not contract with any person or
12 entity for the total operation and administration of the state
13 lottery established by this chapter ~~act~~ but may make
14 procurements which integrate functions such as lottery game
15 design, supply of goods and services, and advertising. In all
16 procurement decisions, the department shall take into account
17 the particularly sensitive nature of the state lottery and
18 shall consider the competence, quality of product, experience,
19 and timely performance of the vendors in order to promote and
20 ensure security, honesty, fairness, and integrity in the
21 operation and administration of the lottery and the objective
22 of raising net revenues for the benefit of the public purpose
23 described in this chapter ~~act~~.

24 Section 8. Section 24.1121, Florida Statutes, is
25 created to read:

26 24.1121 Video lottery games.--

27 (1) Video lottery games may only be offered by a video
28 lottery retailer at its pari-mutuel facility. During any
29 calendar year in which a video lottery retailer maintains
30 video lottery terminals within the confines of its pari-mutuel
31 facility, the video lottery retailer must conduct a full

1 schedule of live racing or games as defined in s. 550.002(11)
2 or be authorized to receive broadcasts of horseraces pursuant
3 to s. 550.615. In the case of a person who possesses a
4 greyhound racing permit or a jai alai permit, such person
5 shall be eligible to serve as a video lottery retailer only if
6 that permitholder also conducted, during the prior fiscal
7 year, no fewer than 80 percent of the number of performances
8 and no fewer than 80 percent of the number of live races or
9 games which the same permitholder conducted during the
10 2000-2001 state fiscal year. The department may waive the
11 requirements provided in this subsection relating to the
12 conducting of live races or games upon a showing that the
13 failure to conduct such games resulted from a natural disaster
14 or other acts beyond the control of the permitholder. If the
15 video lottery retailer fails to comply with the requirement to
16 conduct a full schedule of races or games or, if a greyhound
17 racing permitholder or jai alai permitholder, the video
18 lottery retailer failed in the previous fiscal year to conduct
19 the required number of live races or games, within 30 days
20 after written notice from the department, the department shall
21 order the video lottery retailer to suspend its video lottery
22 operation. The department may assess an administrative fine
23 not to exceed \$5,000 per video lottery terminal, per day,
24 against any video lottery retailer who fails to suspend its
25 video lottery operation when ordered to suspend by the
26 department. The department may enforce its order of suspension
27 or any administrative fine assessed in furtherance of such
28 order as provided in s. 120.69. Each video lottery retailer
29 shall post a bond payable to the state in an amount determined
30 by the department that is sufficient to guarantee payment to
31 the state of revenue due in any payment period.

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

4 (3) To facilitate the auditing and security programs
5 critical to the integrity of the video lottery system, the
6 department shall have overall control of the entire system.
7 Each video lottery terminal shall be linked, directly or
8 indirectly, to a computer system under the control of the
9 department.

10 (4) The department shall determine, by rule, the
11 method by which cash receipts will be electronically validated
12 and redeemed.

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

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

18 (7) Video lottery games shall pay out a minimum of 88
19 percent of the amount of cash, tokens, credits, or vouchers
20 put into a video lottery terminal. The department may permit
21 the payment of a lesser percentage if requested by a video
22 lottery retailer and the department determines that the
23 payment of a minimum of 88 percent is not financially viable
24 at the video lottery retailer's location and that the total
25 amount of net revenue payable to the Public Education Capital
26 Outlay and Debt Service Trust Fund will not be negatively
27 impacted. Such percentages shall be measured on an annual
28 basis.

29 (8) Income derived from video lottery operations shall
30 not be subject to the provisions of s. 24.121. The allocation
31

1 of net terminal income derived from video lottery games shall
2 be as follows:

3 (a) Thirty-six percent to the Video Lottery
4 Administrative Trust Fund of the department for transfer to
5 the Public Education Capital Outlay and Debt Service Trust
6 Fund.

7 (b) Two percent to the Video Lottery Administrative
8 Trust Fund for transfer in equal shares to the counties in
9 which the pari-mutuel facilities with video lottery terminals
10 are located. If any pari-mutuel facility with video lottery
11 terminals is located within an incorporated municipality, 20
12 percent of the equal share of the 2 percent otherwise to be
13 transferred to the county in which such facility is located
14 shall instead be transferred to such municipality.

15 (c) Two percent to the Video Lottery Administrative
16 Trust Fund of the department for transfer to the
17 Administrative Trust Fund established pursuant to s. 24.120.

18 (d) Eight percent to the Video Lottery Administrative
19 Trust Fund of the department for transfer to the Video Lottery
20 Purse Trust Fund in the Department of Business and
21 Professional Regulation, to be distributed in accordance with
22 s. 550.26315(1).

23 (e) To the Video Lottery Administrative Trust Fund of
24 the department for transfer to the Department of Children and
25 Family Services, 0.25 percent for the establishment and
26 administration of a treatment program for compulsive gambling.

27 (f) If the video lottery retailer holds a valid
28 harness racing permit under chapter 550, 6 percent of its net
29 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 the provisions of chapter 550.

3 (g) If the video lottery retailer holds a valid jai
4 alai permit under chapter 550, 6 percent of its net terminal
5 income shall be distributed by the video lottery retailer as
6 purses for live performances conducted at the video lottery
7 retailer's pari-mutuel facility in accordance with chapter
8 550.

9 (h) If the video lottery retailer holds a valid
10 greyhound racing permit under chapter 550, 6 percent of its
11 net terminal income shall be distributed by the video lottery
12 retailer as purses for live performances conducted at the
13 video lottery retailer's pari-mutuel facility in accordance
14 with chapter 550.

15 (i) To be retained by the video lottery retailer as
16 compensation:

17 1. If a valid thoroughbred permitholder under chapter
18 550, 51.75 percent to be distributed as provided in paragraph

19 (j).

20 2. If a valid holder of a permit other than a
21 thoroughbred permit, 45.75 percent.

22 3. If the holder of a license issued pursuant to s.
23 550.615(9) or s. 550.6308, 51.75 percent to be distributed as
24 provided in paragraph (k).

25 (j) If the video lottery retailer holds a valid
26 thoroughbred racing permit under chapter 550, the remaining
27 net terminal income generated at its facility:

28 1. 3.3 percent shall be distributed for use as Florida
29 thoroughbred breeders' and stallion awards pursuant to ss.
30 550.26165 and 550.2625.

31

1 2. 0.25 percent shall be distributed to the Jockeys'
2 Guild Health and Welfare Trust maintained by Jockeys' Guild,
3 Inc., for the purpose of providing health, disability, and
4 retirement benefits to active, disabled, and retired Florida
5 jockeys in accordance with eligibility criteria established by
6 Jockeys' Guild, Inc. Jockeys' Guild, Inc., shall annually
7 provide a certified financial statement of the expenditures
8 made for benefits provided under this subparagraph.

9 3. 96.45 percent shall be distributed as provided by
10 written agreement between the video lottery retailer and the
11 Florida Horseman's Benevolent and Protective Association.
12 Such contract shall be filed with the department. No video
13 lottery retailer required to enter into a contract by this
14 subparagraph shall be authorized to conduct video lottery
15 games unless such contract is in effect and is filed with the
16 department.

17 (k) If the video lottery retailer holds a license
18 issued pursuant to s. 550.615(9) or s. 550.6308, the remaining
19 net terminal income generated at its facility:

20 1. 3.3 percent shall be distributed for use as Florida
21 thoroughbred breeders' and stallion awards pursuant to ss.
22 550.26165 and 550.2625.

23 2. 96.7 percent shall be distributed as provided by
24 written agreement between the video lottery retailer and the
25 Florida Thoroughbred Breeders' Association. Such contract
26 shall be filed with the department. No video lottery retailer
27 required to enter into a contract by this subparagraph shall
28 be authorized to conduct video lottery games unless such
29 contract is in effect and is filed with the department.

30 (9) The allocation provided in subsection (8) shall be
31 made weekly. Amounts allocated pursuant to paragraphs

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

25 (10) Any person who, with intent to manipulate the
26 outcome, payoff, or operation of a video lottery terminal,
27 manipulates or attempts to manipulate the outcome, payoff, or
28 operation of a video lottery terminal by physical or
29 electronic tampering or other means commits a felony of the
30 third degree, punishable as provided in s. 775.082, s.
31 775.083, or s. 775.084.

1 (11) Notwithstanding s. 24.115, each video lottery
2 retailer shall have the responsibility for payment of video
3 lottery prizes.

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

14 Section 9. Section 24.1122, Florida Statutes, is
15 created to read:

16 24.1122 Licensure of video lottery terminal
17 vendors.--Video lottery terminal vendors shall be licensed by
18 the Department of the Lottery, and, by August 1, 2002, the
19 department shall adopt rules governing such licensure. The
20 department shall not license any person as a video lottery
21 terminal vendor if such person has an interest in a video
22 lottery retailer or a business relationship with a video
23 lottery retailer other than as a vendor or lessor of video
24 lottery terminals.

25 Section 10. Section 24.1123, Florida Statutes, is
26 created to read:

27 24.1123 Local zoning of pari-mutuel facilities.--The
28 installation, operation, or use of a video lottery terminal on
29 any property on which pari-mutuel operations were or would
30 have been lawful under any county or municipal zoning
31 ordinance as of July 1, 2000, shall not be deemed to change

1 the character of the use of such property and shall not be
2 prohibited on such property by any local zoning ordinance or
3 amendments thereto.

4 Section 11. Section 24.1124, Florida Statutes, is
5 created to read:

6 24.1124 Video lottery terminals.--

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

9 (2) Video lottery terminals approved for use in this
10 state shall:

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

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

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

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

23 Section 12. Section 24.1125, Florida Statutes, is
24 created to read:

25 24.1125 Video lottery terminal training program.--

26 (1) Every licensed video lottery terminal vendor shall
27 submit a training program for the service and maintenance of
28 such terminals and equipment for approval by the department.
29 The training program shall include an outline of the training
30 curriculum, a list of instructors and their qualifications, a
31 copy of the instructional materials, and the dates, times, and

1 location of training classes. No service and maintenance
2 program shall be held unless approved by the department.

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

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

25 Section 13. Section 24.117, Florida Statutes, is
26 amended to read:

27 24.117 Unlawful sale of lottery tickets; penalty.--Any
28 person who knowingly:

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

31

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

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

5
6 is guilty of a misdemeanor of the first degree, punishable as
7 provided in s. 775.082 or s. 775.083.

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

10 24.118 Other prohibited acts; penalties.--

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

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

21 24.120 Financial matters; Administrative Trust Fund;
22 interagency cooperation.--

23 (1) There is ~~hereby~~ created in the State Treasury an
24 Administrative Trust Fund to be administered in accordance
25 with chapters 215 and 216 by the department. All money
26 received by the department which remains after payment of
27 prizes and initial compensation paid to retailers shall be
28 deposited into the Administrative Trust Fund. All moneys in
29 the trust fund are appropriated to the department for the
30 purposes specified in this chapter act.

31

1 Section 16. Section 24.122, Florida Statutes, is
2 amended to read:

3 24.122 Exemption from taxation; state preemption;
4 inapplicability of other laws.--

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

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

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

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

30 (a) Chapter 616, relating to public fairs and
31 expositions.

1 (b) Chapter 946, relating to correctional work
2 programs.

3 (c) Chapter 282, relating to communications and data
4 processing.

5 (d) Section 110.131, relating to other personal
6 services.

7 Section 17. Subsection (24) of section 212.02, Florida
8 Statutes, is amended to read:

9 212.02 Definitions.--The following terms and phrases
10 when used in this chapter have the meanings ascribed to them
11 in this section, except where the context clearly indicates a
12 different meaning:

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

22 Section 18. Section 550.26315, Florida Statutes, is
23 created to read:

24 550.26315 Administration of the Video Lottery Purse
25 Trust Fund.--

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

29 (2) Forty-two percent of the proceeds of the Video
30 Lottery Purse Trust Fund shall be distributed to pari-mutuel
31

1 permitholders to be distributed as purses at their respective
2 pari-mutuel facilities as follows:

3 (a) Eight percent shall be distributed to holders of
4 valid harness racing permits.

5 (b) Seven percent shall be distributed to holders of
6 valid jai alai permits.

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

9
10 Each permitholder entitled to receive distributions under a
11 paragraph of this subsection shall receive a percentage of the
12 amount to be distributed under that paragraph which is
13 determined by dividing the amounts paid in purses by such
14 permitholder during the state fiscal year 2000-2001 by the
15 amount of purses paid by all such permitholders statewide
16 during the state fiscal year 2000-2001.

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

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

28 (5) Of amounts to be distributed pursuant to this
29 section and s. 24.1121(8)(f) to persons holding valid harness
30 racing permits, 6.6 percent of such sums shall be distributed
31 for payment of breeders' awards, stallion awards, and stallion

1 stakes, and for additional expenditures pursuant to ss.
2 550.26165 and 550.2625. The Florida Standardbred Breeders and
3 Owners Association may, in accordance with s. 550.2625(4),
4 deduct a fee for administering the payment of awards and for
5 general promotion of the industry.

6 (6) The department is authorized to adopt rules to
7 provide for the equitable distribution of funds by
8 permitholders for purses, awards, or jai alai player
9 compensation, in accordance with the provisions of this
10 section.

11 Section 19. Section 550.26325, Florida Statutes, is
12 created to read:

13 550.26325 Distribution of funds from Video Lottery
14 Thoroughbred Trust Fund.--The proceeds of the Video Lottery
15 Thoroughbred Trust Fund shall be distributed as follows:

16 (1) For use as Florida thoroughbred breeders' and
17 stallion awards pursuant to ss. 550.26165 and 550.2625: 6.6
18 percent. The Florida Thoroughbred Breeders' Association may,
19 in accordance with s. 550.2625(3), deduct a fee for
20 administering the payment of awards and for general promotion
21 of the industry.

22 (2) The remainder shall be divided proportionally
23 among the thoroughbred permitholders for use as purses based
24 upon a formula determined by dividing the amounts paid in
25 purses by such thoroughbred permitholder during the 2000-2001
26 state fiscal year by the amount of purses paid by all such
27 thoroughbred permitholders statewide during the 2000-2001
28 state fiscal year.

29 Section 20. Paragraphs (d) and (e) of subsection (2)
30 and paragraph (a) of subsection (6) of section 550.2625,
31

1 Florida Statutes, are amended, and paragraph (f) is added to
2 subsection (2), to read:

3 550.2625 Horseracing; minimum purse requirement,
4 Florida breeders' and owners' awards.--

5 (2) Each permitholder conducting a horserace meet is
6 required to pay from the takeout withheld on pari-mutuel pools
7 a sum for purses in accordance with the type of race
8 performed.

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

31

1 (e) An amount equal to 8.5 percent of the purse
2 account generated through video lottery proceeds pursuant to
3 s. 550.26325(2), intertrack wagering and interstate
4 simulcasting will be used for Florida Owners' Awards as set
5 forth in subsection (3). This percentage may be changed by
6 written agreement between the Florida Horseman's Benevolent
7 and Protective Association and the Florida Thoroughbred
8 Breeders' Association, filed with the division. Any
9 thoroughbred permitholder ~~with an average blended takeout~~
10 ~~which does not exceed 20 percent and with that had~~ an average
11 daily purse distribution excluding sponsorship, entry fees,
12 and nominations exceeding \$225,000 in 2000-2001 state fiscal
13 year is exempt from the provisions of this paragraph. This
14 exemption shall apply for up to 73 racing days.

15 (f) The division shall adopt reasonable rules to
16 ensure the timely and accurate payment of all amounts received
17 or collected by a horsemen's or breeders' association for
18 payment to owners and breeders, including video lottery
19 proceeds. Each horsemen's or breeders' association that fails
20 to pay out during the calendar year all moneys received or
21 collected for payment to owners and breeders during that year
22 shall, within 30 days after the end of the calendar year
23 during which the underpayment occurred, deposit an amount
24 equal to the underpayment into a separate interest-bearing
25 account to be distributed to owners or breeders in accordance
26 with division rules. Any horsemen's or breeders' association
27 paying out during the calendar year less than 90 percent of
28 all moneys received or collected for payment to owners and
29 breeders during that calendar year shall be subject to an
30 administrative fine in an amount equal to double the amount of
31 the underpayment. Within 60 days after the end of the calendar

1 year, each permitholder shall be required to file with the
2 division an audited accounting reflecting the receipt and
3 payment of all sums received and collected for payment to
4 owners and breeders.

5 (6)(a) The takeout may be used for the payment of
6 awards to owners of registered Florida-bred horses placing
7 first in a claiming race, an allowance race, a maiden special
8 race, or a stakes race in which the announced purse, exclusive
9 of entry and starting fees and added moneys, does not exceed
10 \$40,000 or such higher amount as may be agreed to in writing
11 between the permitholder and the Florida Horseman's Benevolent
12 and Protective Association, which agreement shall be filed
13 with the division.

14 Section 21. Section 550.401, Florida Statutes, is
15 created to read:

16 550.401 Limited prohibition on termination of kennel
17 operators.--A greyhound track may not terminate a kennel
18 operator, other than for breach of contract that remains in
19 breach 15 days following the delivery in writing of notice of
20 such breach to the kennel operator, for 12 months following
21 the first period that purse payments are made pursuant to the
22 provisions of s. 550.26315. Thereafter, only those kennel
23 operators can be terminated without cause if the kennel
24 occupies one of the bottom three positions based on total
25 number of wins for two consecutive racing seasons, which may
26 include the 12-month period following the first period that
27 purse payments are made pursuant to the provisions of s.
28 550.26315.

29 Section 22. Subsections (3) and (4) of section
30 550.615, Florida Statutes, are amended to read:

31 550.615 Intertrack wagering.--

1 (3)(a) If a permitholder who operates as a video
2 lottery retailer as defined in s. 24.103 elects to broadcast
3 its signal to any permitholder in this state, any
4 permitholder, not located within 25 miles of the host track,
5 which is eligible to conduct intertrack wagering under the
6 provisions of ss. 550.615-550.6345 is entitled to receive the
7 broadcast and conduct intertrack wagering under this section;
8 however, the host track may require a guest track within 25
9 miles of another permitholder to receive in any week at least
10 60 percent of the live races that the host track is making
11 available on the days that the guest track is otherwise
12 operating live races or games. A host track may require a
13 guest track not operating live races or games and within 25
14 miles of another permitholder to accept within any week at
15 least 60 percent of the live races that the host track is
16 making available. A permitholder may, pursuant to a written
17 contract, elect to broadcast its signal to any permitholder in
18 this state located within 25 miles of the host track, provided
19 that where a thoroughbred permitholder is the host track, any
20 such contract must be approved by the Florida Horseman's
21 Benevolent and Protective Association.

22 (b) If a permitholder who does not operate as a video
23 lottery retailer as defined in s. 24.103 elects to broadcast
24 its signal to any permitholder in this state, any permitholder
25 that is eligible to conduct intertrack wagering under the
26 provisions of ss. 550.615-550.6345 is entitled to receive the
27 broadcast and conduct intertrack wagering under this section;
28 provided, however, that the host track may require a guest
29 track within 25 miles of another permitholder to receive in
30 any week at least 60 percent of the live races that the host
31 track is making available on the days that the guest track is

1 otherwise operating live races or games. A host track may
2 require a guest track not operating live races or games and
3 within 25 miles of another permitholder to accept within any
4 week at least 60 percent of the live races that the host track
5 is making available. A person may not restrain or attempt to
6 restrain any permitholder that is otherwise authorized to
7 conduct intertrack wagering from receiving the signal of any
8 other permitholder or sending its signal to any permitholder.

9 (4) In no event shall any intertrack wager be accepted
10 on the same class of live or simulcast races or games of any
11 permitholder without the written consent of such operating
12 permitholders conducting the same class of live or simulcast
13 races or games if the guest track is within the market area of
14 such operating permitholder.

15 Section 23. Paragraph (g) of subsection (9) of section
16 550.6305, Florida Statutes, is amended to read:

17 550.6305 Intertrack wagering; guest track payments;
18 accounting rules.--

19 (9) A host track that has contracted with an
20 out-of-state horse track to broadcast live races conducted at
21 such out-of-state horse track pursuant to s. 550.3551(5) may
22 broadcast such out-of-state races to any guest track and
23 accept wagers thereon in the same manner as is provided in s.
24 550.3551.

25 (g)~~†~~. Any thoroughbred permitholder which accepts
26 wagers on a simulcast signal must make the signal available to
27 any permitholder that is located more than 25 miles from where
28 the permitholder providing the signal is located and that is
29 eligible to conduct intertrack wagering under the provisions
30 of ss. 550.615-550.6345.

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1 ~~2. Any thoroughbred permitholder which accepts wagers~~
2 ~~on a simulcast signal received after 6 p.m. must make such~~
3 ~~signal available to any permitholder that is eligible to~~
4 ~~conduct intertrack wagering under the provisions of ss.~~
5 ~~550.615-550.6345, including any permitholder located as~~
6 ~~specified in s. 550.615(6). Such guest permitholders are~~
7 ~~authorized to accept wagers on such simulcast signal,~~
8 ~~notwithstanding any other provision of this chapter to the~~
9 ~~contrary.~~

10 ~~3. Any thoroughbred permitholder which accepts wagers~~
11 ~~on a simulcast signal received after 6 p.m. must make such~~
12 ~~signal available to any permitholder that is eligible to~~
13 ~~conduct intertrack wagering under the provisions of ss.~~
14 ~~550.615-550.6345, including any permitholder located as~~
15 ~~specified in s. 550.615(9). Such guest permitholders are~~
16 ~~authorized to accept wagers on such simulcast signals for a~~
17 ~~number of performances not to exceed that which constitutes a~~
18 ~~full schedule of live races for a quarter horse permitholder~~
19 ~~pursuant to s. 550.002(11), notwithstanding any other~~
20 ~~provision of this chapter to the contrary, except that the~~
21 ~~restrictions provided in s. 550.615(9)(a) apply to wagers on~~
22 ~~such simulcast signals.~~

23
24 No thoroughbred permitholder shall be required to continue to
25 rebroadcast a simulcast signal to any in-state permitholder if
26 the average per performance gross receipts returned to the
27 host permitholder over the preceding 30-day period were less
28 than \$100. Subject to the provisions of s. 550.615(4), as a
29 condition of receiving rebroadcasts of thoroughbred simulcast
30 signals under this paragraph, a guest permitholder must accept

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1 intertrack wagers on all live races conducted by all
2 then-operating thoroughbred permitholders.

3 Section 24. Subsection (6) is added to section
4 550.6308, Florida Statutes, to read:

5 550.6308 Limited intertrack wagering license.--In
6 recognition of the economic importance of the thoroughbred
7 breeding industry to this state, its positive impact on
8 tourism, and of the importance of a permanent thoroughbred
9 sales facility as a key focal point for the activities of the
10 industry, a limited license to conduct intertrack wagering is
11 established to ensure the continued viability and public
12 interest in thoroughbred breeding in Florida.

13 (6) Notwithstanding the limitations on use of the
14 license provided in subsections (1) and (4) and s. 550.615(9),
15 if the licensee is also operating as a video lottery retailer,
16 the licensee may conduct intertrack wagering on thoroughbred
17 horse racing and on greyhound racing and the licensee may also
18 conduct intertrack wagering between May 9 and October 31 at
19 such times and on such days as any thoroughbred, jai alai, or
20 a greyhound permitholder in the same county is conducting live
21 performances.

22 Section 25. Subsection (5) of section 565.02, Florida
23 Statutes, is amended to read:

24 565.02 License fees; vendors; clubs; caterers; and
25 others.--

26 (5) A caterer at a horse or dog racetrack or jai alai
27 fronton may obtain a license upon the payment of an annual
28 state license tax of \$675. Such caterer's license shall permit
29 sales only within the enclosure in which such races or jai
30 alai games are conducted, and such licensee shall be permitted
31 to sell ~~only~~ during the period beginning 10 days before and

1 ending 10 days after racing or jai alai under the authority of
2 the Division of Pari-mutuel Wagering of the Department of
3 Business and Professional Regulation is conducted at such
4 racetrack or jai alai fronton and on days on which the
5 pari-mutuel facility is open to the public for the purpose of
6 video lottery play authorized by the Department of the
7 Lottery. Except as otherwise provided in this subsection
8 ~~otherwise provided~~, caterers licensed hereunder shall be
9 treated as vendors licensed to sell by the drink the beverages
10 mentioned herein and shall be subject to all the provisions
11 hereof relating to such vendors.

12 Section 26. Compulsive gambling program.--The Alcohol,
13 Drug Abuse, and Mental Health Program Office within the
14 Department of Children and Family Services shall establish a
15 program for public education, awareness, and training
16 regarding problem and compulsive gambling and the treatment
17 and prevention of problem and compulsive gambling. The program
18 shall include:

19 (1) Maintenance of a compulsive gambling advocacy
20 organization's toll-free problem gambling telephone number to
21 provide crisis counseling and referral services to families
22 experiencing difficulty as a result of problem or compulsive
23 gambling.

24 (2) The promotion of public awareness regarding the
25 recognition and prevention of problem or compulsive gambling.

26 (3) Facilitation, through inservice training and other
27 means, of the availability of effective assistance programs
28 for problem and compulsive gamblers, of all ages, and family
29 members affected by problem and compulsive gambling.

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