

By the Committees on Ways and Means; Judiciary; Regulated Industries; and Senator Jones

576-2329-05

1                                   A bill to be entitled  
2           An act relating to pari-mutuel wagering;  
3           amending s. 550.2415, F.S.; requiring the  
4           Division of Pari-mutuel Wagering in the  
5           Department of Business and Professional  
6           Regulation to maintain certain records  
7           regarding injuries and the disposition of  
8           greyhounds that race in this state; providing  
9           guidelines and requirements for injury and  
10          disposition report forms; providing for the  
11          adoption of rules; providing penalties;  
12          creating ch. 551, F.S.; implementing s. 23,  
13          Art. X of the State Constitution; authorizing  
14          slot machines and slot machine gaming within  
15          certain pari-mutuel facilities located in  
16          Miami-Dade and Broward Counties upon approval  
17          by a local referendum; providing definitions;  
18          providing powers and duties of the Division of  
19          Pari-mutuel Wagering in the Department of  
20          Business and Professional Regulation;  
21          clarifying the authority of local law  
22          enforcement agencies; providing for licensure  
23          to conduct slot machine gaming; providing for  
24          slot machine licensure renewal; providing for a  
25          license fee, machine fee, and tax rate;  
26          providing for a local supplemental tax;  
27          requiring occupational licenses and application  
28          fees; prohibiting certain business  
29          relationships; prohibiting certain acts and  
30          providing penalties; providing an exception to  
31          prohibitions relating to slot machines;

1 providing for the exclusion of certain persons  
2 from facilities; prohibiting minors under 21  
3 years of age from playing slot machines;  
4 designating slot machine gaming areas;  
5 prohibiting automated teller machines on the  
6 property of a slot machine licensee; providing  
7 for days and hours of operation; providing  
8 penalties; providing a compulsive gambling  
9 treatment program; providing for a fee;  
10 providing for a caterer's license; providing  
11 for rulemaking; providing for the conduct of a  
12 referendum election for slot machines;  
13 providing for elections for ratification of  
14 slot machine licensing; authorizing additional  
15 positions and providing appropriations;  
16 providing effective dates.

17

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

19

20 Section 1. Effective July 1, 2005, subsection (6) of  
21 section 550.2415, Florida Statutes, is amended to read:

22 550.2415 Racing of animals under certain conditions  
23 prohibited; penalties; exceptions.--

24 (6)(a) It is the intent of the Legislature that  
25 animals that participate in races in this state on which  
26 pari-mutuel wagering is conducted and animals that are bred  
27 and trained in this state for racing be treated humanely, both  
28 on and off racetracks, throughout the lives of the animals.

29 (b) The division shall, by rule, establish the  
30 procedures for euthanizing greyhounds. However, a greyhound  
31 may not be put to death by any means other than by lethal

1 injection of the drug sodium pentobarbital. A greyhound may  
2 not be removed from this state for the purpose of being  
3 destroyed.

4 (c) It is a violation of this chapter for an  
5 occupational licensee to train a greyhound using live or dead  
6 animals. A greyhound may not be taken from this state for the  
7 purpose of being trained through the use of live or dead  
8 animals.

9 (d) A conviction of cruelty to animals pursuant to s.  
10 828.12 involving a racing animal constitutes a violation of  
11 this chapter.

12 (e) The division shall maintain accurate records and  
13 statistics regarding injuries incurred by greyhounds that race  
14 in this state. The division shall adopt rules requiring the  
15 reporting of injuries incurred by greyhounds while racing in  
16 this state, including schooling races. Such reports must  
17 include:

18 1. The greyhound's registered name and right and left  
19 ear tattoo numbers.

20 2. The name, business address, and telephone number of  
21 the greyhound owner, trainer, and kennel operator.

22 3. The color, weight, and sex of the greyhound.

23 4. The specific type of injury, the cause of the  
24 injury, the estimated recovery time, and the location of the  
25 injury on the greyhound.

26 5. Where the injury occurred, whether on a racing  
27 track or in another area.

28 6. If the injury occurred while the greyhound was  
29 racing, the racetrack where the injury occurred; the distance,  
30 grade, race, and post position when the injury occurred; and  
31

1 the weather conditions, time, temperature, and track condition  
2 at the time of the injury.

3 7. A certification by the racetrack veterinarian that  
4 the form is correct.

5 (f) The division shall maintain accurate records and  
6 statistics regarding the disposition of greyhounds that  
7 participate in racing in this state. The division shall adopt  
8 rules requiring the reporting of the disposition of greyhounds  
9 that race in this state, including schooling races. As used in  
10 the reporting requirement, the term "disposition" means death,  
11 transfer to another jurisdiction, retirement, adoption, sale,  
12 or donation for medical research or another purpose. Such  
13 reports must include:

14 1. The greyhound's registered name and right and left  
15 ear tattoo numbers; the name, business address, and telephone  
16 number of the greyhound owner, trainer, and kennel operator;  
17 and the name and address of the race track where the greyhound  
18 last raced prior to disposition.

19 2. If the greyhound was transferred to another track,  
20 the name and address of the track that received the greyhound  
21 and the name, business address, telephone number, and driver's  
22 license number and state of issuance of the person who  
23 received the greyhound on behalf of that track.

24 3. If the greyhound was retired for breeding, the name  
25 and address of the facility that received the greyhound and  
26 the name, business address, telephone number, and driver's  
27 license number and state of issuance of the person who  
28 received the greyhound on behalf of that facility.

29 4. If the greyhound was adopted or placed for  
30 adoption, the name and address of the person that received the  
31 greyhound and, if applicable, the name, business address,

1 telephone number, and driver's license number and state of  
2 issuance of the person who received the greyhound on behalf of  
3 the adoption facility.

4 5. If the greyhound was euthanized, the name, address,  
5 professional title, professional affiliation of the person  
6 performing the euthanasia, method of euthanasia, and reason  
7 the greyhound was euthanized rather than adopted.

8 6. If the greyhound was sold or donated, the name of  
9 the person to whom the greyhound was sold or donated, and if  
10 donated, the name, business address, telephone number, and  
11 driver's license number and state of issuance of the person  
12 who received the greyhound on behalf of the donee.

13 7. If the disposition of the greyhound does not fit  
14 into any of the above categories, the name of the person to  
15 whom the greyhound was transferred, and the name, business  
16 address, telephone number, and driver's license number and  
17 state of issuance of the person who received the greyhound.

18 8. Certification by the owner, trainer, and kennel  
19 operator that the disposition forms are correct.

20 (g) The division shall maintain injury and disposition  
21 records for 7 years.

22 (h) In addition to other penalties imposed by law, a  
23 person who knowingly makes a false statement on an injury or  
24 disposition form commits a misdemeanor of the first degree,  
25 punishable as provided in s. 775.082 or s. 775.083. A person  
26 who knowingly makes a false statement on an injury or  
27 disposition form on a second or subsequent occasion commits a  
28 felony of the third degree, punishable as provided in s.  
29 775.082, s. 775.083, or s. 775.084.

30 Section 2. Chapter 551, Florida Statutes, consisting  
31 of sections 551.101, 551.102, 551.103, 551.104, 551.105,

1 551.106, 551.107, 551.108, 551.109, 551.110, 551.111, 551.112,  
2 551.113, 551.114, 551.116, 551.117, 551.118, 551.119, 551.120,  
3 and 551.121, is created to read:

4 CHAPTER 551

5 SLOT MACHINES

6 551.101 Slot machine gaming authorized.--Any existing,  
7 licensed pari-mutuel facility located in Miami-Dade County or  
8 Broward County at the time of adoption of s. 23, Art. X of the  
9 State Constitution which has conducted live racing or games  
10 during calendar years 2002 and 2003 may possess slot machines  
11 and conduct slot machine gaming at the location where the  
12 pari-mutuel permitholder is authorized to conduct pari-mutuel  
13 wagering activities pursuant to such permitholder's valid  
14 pari-mutuel permit or as otherwise authorized by law provided  
15 a majority of voters in a countywide referendum have approved  
16 the possession of slot machines at such facility in the  
17 respective county. Notwithstanding any other provision of law,  
18 it is not a crime for a person to participate in slot machine  
19 gaming at a pari-mutuel facility licensed to possess and  
20 conduct slot machine gaming or to participate in slot machine  
21 gaming described in this chapter.

22 551.102 Definitions.--As used in this chapter, the  
23 term:

24 (1) "Central control computer" means a central site  
25 computer controlled and accessible by the division to which  
26 all slot machines at a gaming facility communicate for the  
27 purposes of auditing capacity; real-time information retrieval  
28 of the details of any financial event that occurs in the  
29 operation of a slot machine, including, but not limited to,  
30 coin in, coin out, ticket in, ticket out, jackpots, machine  
31

1 door openings and power failure; and remote machine activation  
2 and disabling of slot machines.

3 (2) "Designated slot machine gaming area" means the  
4 area of an eligible facility, which may include any addition,  
5 alteration, or new structure located on the premises described  
6 in the pari-mutuel permit issued by the division for the  
7 conduct of pari-mutuel wagering, in which slot machine gaming  
8 may be conducted in accordance with the provisions of this  
9 chapter.

10 (3) "Distributor" means any person that sells, leases,  
11 or offers, or otherwise provides, distributes, or services,  
12 any slot machine or associated equipment for use or play of  
13 slot machines in this state. A manufacturer may be a  
14 distributor within the state.

15 (4) "Division" means the Division of Pari-mutuel  
16 Wagering of the Department of Business and Professional  
17 Regulation.

18 (5) "Eligible facility" means any existing licensed  
19 pari-mutuel facility located in Miami-Dade County or Broward  
20 County at the time of adoption of s. 23, Art. X of the State  
21 Constitution which has conducted live racing or games during  
22 calendar years 2002 and 2003 and has been approved by a  
23 majority of voters in a countywide referendum to have slot  
24 machines at such facility in the respective county.

25 (6) "Independent testing laboratory" means a  
26 laboratory of national reputation which is demonstrably  
27 competent and qualified to scientifically test and evaluate  
28 slot machines for compliance with this chapter and to  
29 otherwise perform the functions assigned to it in this  
30 chapter. An independent testing laboratory shall not be owned  
31 or controlled by a licensee. The use of an independent testing

1 laboratory for any purpose related to the conduct of slot  
2 machine gaming by a licensee under this chapter shall be made  
3 from a list of one or more laboratories approved by the  
4 division.

5 (7) "Manufacturer" means any person who manufactures,  
6 builds, rebuilds, fabricates, assembles, produces, programs,  
7 designs, or otherwise makes modifications to any slot machine  
8 or associated equipment for use or play of slot machines in  
9 this state for gaming purposes. A manufacturer may be a  
10 distributor within the state.

11 (8) "Progressive system" means a computerized system  
12 linking slot machines in one or more licensed facilities  
13 within this state and offering one or more common progressive  
14 payouts based on the amounts wagered.

15 (9) "Slot machine" means any mechanical or electrical  
16 contrivance, terminal, machine, or other device that, upon  
17 insertion of a coin, bill, ticket, token, or similar object or  
18 upon payment of any consideration whatsoever, including the  
19 use of any electronic payment system except a credit card or  
20 debit card, is available to play or operate, the play or  
21 operation of which, whether by reason of skill or application  
22 of the element of chance or both, may deliver or entitle the  
23 person or persons playing or operating the contrivance,  
24 terminal, machine, or other device to receive cash, billets,  
25 tickets, tokens, or electronic credits to be exchanged for  
26 cash or to receive merchandise or anything of value  
27 whatsoever, whether the payoff is made automatically from the  
28 machine or manually. A slot machine:

29 (a) May use spinning reels or video displays or both.

30 (b) May or may not dispense coins, tickets, or tokens  
31 to winning patrons.



1           (c) May use an electronic credit system for receiving  
2 wagers and making payouts.

3  
4 The term includes associated equipment necessary to conduct  
5 the operation of the contrivance, terminal, machine, or other  
6 device.

7           (10) "Slot machine license" means a license issued by  
8 the division authorizing an eligible facility to place and  
9 operate slot machines as required by the provisions of this  
10 chapter and the rules.

11           (11) "Slot machine licensee" means an eligible  
12 facility that holds a slot machine license.

13           (12) "Slot machine operator" means a person employed  
14 or contracted by the owner of an eligible facility to conduct  
15 slot machine gaming at that eligible facility.

16           (13) "Slot machine owner" means a person who holds a  
17 material interest in the slot machines.

18           (14) "Slot machine revenues" means the total of all  
19 cash and property received by the slot machine licensee from  
20 slot machine gaming operations less the amount of cash, cash  
21 equivalents, credits, and prizes paid to winners of slot  
22 machine gaming.

23           551.103 Powers and duties.--

24           (1) The division shall adopt, pursuant to the  
25 provisions of ss. 120.536(1) and 120.54, all rules necessary  
26 to implement, administer, and regulate slot machine gaming as  
27 authorized in this chapter. Such rules shall include:

28           (a) Procedures for applying for a license and renewal  
29 of a license.

30           (b) Procedures for establishing technical requirements  
31 in addition to the qualifications that are necessary to

1 receive a slot machine license or slot machine occupational  
2 license.

3 (c) Procedures relating to slot machine revenues,  
4 including verifying and accounting for such revenues,  
5 auditing, and collecting taxes and fees consistent with this  
6 chapter.

7 (d) Procedures for regulating, managing, and auditing  
8 the operation, financial data, and program information  
9 relating to slot machines through the central control  
10 computer.

11 (e) Procedures for requiring each licensee at his or  
12 her own cost and expense to supply the division with a bond  
13 having the penal sum of \$2 million payable to the Governor and  
14 his or her successors in office for the licensee's first year  
15 of slot machine operations; and, thereafter, the licensee  
16 shall file a bond with the penal sum as determined by the  
17 division pursuant to rules adopted to approximate anticipated  
18 state revenues from the licensee's slot machine operations.  
19 Any bond shall be issued by a surety or sureties to be  
20 approved by the division and the Chief Financial Officer,  
21 conditioned to faithfully make the payments to the Chief  
22 Financial Officer in his or her capacity as treasurer of the  
23 division. The licensee shall be required to keep its books and  
24 records and make reports as provided in this chapter and to  
25 conduct its slot machine operations in conformity with this  
26 chapter and all other provisions of law. The division may  
27 review the bond for adequacy and require adjustments each  
28 fiscal year. Such bond shall be separate and distinct from the  
29 bond required in s. 550.125.

30 (f) Procedures for requiring licensees to maintain  
31 specified records and submit any data, information, record, or

1 report, including financial and income records, required by  
2 this chapter or determined by the division to be necessary to  
3 the proper implementation and enforcement of this chapter.

4 (g) Procedures for requiring that the payout  
5 percentage of a slot machine shall be no less than 85 percent  
6 per facility.

7 (2) The division shall conduct such investigations as  
8 the division determines necessary to fulfill its  
9 responsibilities under the provisions of this chapter.

10 (3) The division shall investigate criminal violations  
11 of this chapter and may investigate any other criminal  
12 violation of law occurring on the facilities of a slot machine  
13 licensee and such investigations may be conducted in  
14 conjunction with the appropriate state attorney and  
15 appropriate law enforcement agencies. The division and its  
16 employees and agents shall have such other law enforcement  
17 powers as specified in ss. 943.04 and 943.10.

18 (4) The division shall have unrestricted access to the  
19 slot machine licensee facility at all times and shall require  
20 of each slot machine licensee strict compliance with the laws  
21 of this state relating to the transaction of such business.  
22 The division may:

23 (a) Inspect and examine premises where slot machines  
24 are offered for play.

25 (b) Inspect slot machines and related equipment and  
26 supplies.

27 (c) Collect taxes, assessments, fees, and penalties.

28 (d) Deny, revoke, suspend, or place conditions on the  
29 license of a person who violates any provision of this chapter  
30 or rule adopted pursuant thereto.

31

1           (5) The division shall revoke or suspend the license  
2 of any person who is no longer qualified or who is found,  
3 after receiving a license, to have been unqualified at the  
4 time of application for the license.

5           (6) Nothing in this section shall be construed to  
6 prohibit law enforcement authorities within the jurisdiction  
7 of a slot machine licensee facility from conducting criminal  
8 investigations occurring on the facilities of the slot machine  
9 licensee.

10           (7) Nothing in this section shall be construed to  
11 restrict access to the slot machine licensee facility by local  
12 law enforcement authorities within the jurisdiction of the  
13 slot machine licensee facility.

14           (8) Nothing in this section shall be construed to  
15 restrict access to information and records necessary to the  
16 investigation of criminal activity which are contained within  
17 the slot machine licensee facility by local law enforcement  
18 authorities.

19           551.104 License to conduct slot machine gaming.--

20           (1) Upon application and a finding by the division  
21 after investigation that the application is complete and the  
22 applicant is qualified and payment of the initial license fee,  
23 the division shall issue a license to conduct slot machine  
24 gaming in the designated slot machine gaming area of the slot  
25 machine licensee's facility. Once licensed, slot machine  
26 gaming may be conducted subject to the requirements of this  
27 chapter and rules adopted pursuant thereto.

28           (2) An application may be approved by the division  
29 only after the voters of the county where the applicant's  
30 facility is located have authorized by referendum slot  
31

1 machines within pari-mutuel facilities in that county as  
2 specified in s. 23, Art. X of the State Constitution.

3 (3) A slot machine license may be issued only to a  
4 licensed pari-mutuel permitholder, and slot machine gaming may  
5 be conducted only at the same facility at which the  
6 permitholder is authorized under its valid pari-mutuel  
7 wagering permit to conduct pari-mutuel wagering activities.

8 (4) As a condition of licensure and to maintain  
9 continued authority for the conduct of slot machine gaming,  
10 the slot machine licensee shall:

11 (a) Continue to be in compliance with this chapter.

12 (b) Continue to be in compliance with chapter 550,  
13 where applicable, and maintain the pari-mutuel permit and  
14 license in good standing pursuant to the provisions of chapter  
15 550. Notwithstanding any contrary provision of law and in  
16 order to expedite the operation of slot machines at eligible  
17 facilities, any eligible facility shall be entitled within 60  
18 days after the effective date of this act to amend its  
19 2005-2006 license issued by the Division of Pari-mutuel  
20 Wagering and shall be granted the requested changes in its  
21 authorized performances pursuant to such amendment. The  
22 Division of Pari-mutuel Wagering shall issue a new license to  
23 the eligible facility to effectuate an amendment.

24 (c) Conduct not less than a full schedule of live  
25 performances or games as defined in s. 550.002(11).

26 (d) Upon approval of any changes relating to the  
27 pari-mutuel permit by the division, be responsible for  
28 providing appropriate current and accurate documentation on a  
29 timely basis to the division in order to continue the slot  
30 machine license in good standing.

31

1           (e) Allow unrestricted access and right of inspection  
2 by the division to facilities of a slot machine licensee in  
3 which any activity relative to the conduct of slot machine  
4 gaming is conducted.

5           (f) Submit a security plan, including a slot machine  
6 floor plan, location of security cameras, and the listing of  
7 security equipment that is capable of observing and  
8 electronically recording activities being conducted in the  
9 designated slot machine gaming area.

10           (g) Use the Internet-based job-listing system of the  
11 Agency for Workforce Innovation in advertising employment  
12 opportunities. Further, each slot machine licensee in its  
13 gaming operations shall create equal employment opportunities  
14 that shall be implemented in a nondiscriminatory manner in  
15 hiring and promoting employees to achieve the full and fair  
16 participation of women, Asians, blacks, Hispanics, Native  
17 Americans, persons with disabilities, and other protected  
18 groups within the municipality where the pari-mutuel facility  
19 is located, and an action plan and programs shall be  
20 implemented by each pari-mutuel facility designed to ensure  
21 that the percentage of the minority population in the area in  
22 which each pari-mutuel facility is located is considered to  
23 the extent minority applications are submitted in equal  
24 proportion to the number of jobs open for hiring at entry  
25 level, managerial, supervisory, and any other positions,  
26 unless there is a bona fide occupational qualification  
27 requiring a distinct and unique employment expertise that a  
28 minority applicant does not possess.

29           (5) A slot machine license is not transferable.

30           551.105 Slot machine license renewal.--  
31

1           (1) Slot machine licenses shall be renewed annually.  
2 The application for renewal shall contain all revisions to the  
3 information submitted in the prior year's application which is  
4 necessary to maintain such information as both accurate and  
5 current.

6           (2) The applicant for renewal shall attest that any  
7 information changes do not affect the applicant's  
8 qualifications for license renewal.

9           (3) Upon determination by the division that the  
10 application for renewal is complete and qualifications have  
11 been met, including payment of the renewal fee, the slot  
12 machine license shall be renewed annually.

13           551.106 License fee; machine fee; tax rate.--

14           (1) LICENSE FEE.--Upon approval of the application for  
15 a slot machine license, the licensee must pay to the division  
16 an initial license fee of \$4 million for the first year of  
17 operation. Thereafter, an annual license fee of \$1,000 per  
18 slot machine shall be paid. Such payment shall be made  
19 directly to the Pari-mutuel Wagering Trust Fund established  
20 pursuant to s. 455.116. Such payments shall be accounted for  
21 separately from taxes or fees paid pursuant to the provisions  
22 of chapter 550. Such funds in such trust fund may be  
23 appropriated annually by the Legislature to the division for  
24 its administration of this chapter and carrying out of its  
25 regulatory functions set forth in this chapter.

26           (2) TAX ON SLOT MACHINE REVENUES.

27           (a) The tax rate on slot machine revenues on each  
28 facility shall be:

- 29           1. Thirty percent on revenue of \$100 million or less;  
30           2. Thirty-two and one-half percent on revenue greater  
31 than \$100 million, but less than or equal to \$200 million; and

1           3. Thirty-five percent on all revenue greater than  
2 \$200 million.

3           (b) The tax shall be collected on a daily basis and  
4 deposited into the Public Education Capital Outlay and Debt  
5 Service Trust Fund.

6           (c) The division shall notify the eligible facility  
7 concerning the appropriate tax rate to apply to the slot  
8 machine revenues.

9           (3) PAYMENT PROCEDURES.--Tax payments shall be  
10 remitted daily, as determined by rule of the division. The  
11 slot machine licensee shall file a report under oath by the  
12 5th day of each calendar month for all taxes remitted during  
13 the preceding calendar month which shall show all slot machine  
14 activities for the preceding calendar month and such other  
15 information as may be required by the division.

16           (4) FAILURE TO PAY TAX; PENALTIES.--A slot machine  
17 licensee who fails to make tax payments as required under this  
18 section is subject to an administrative penalty of up to  
19 \$1,000 for each day the tax payment is not remitted. All  
20 administrative penalties imposed and collected shall be  
21 deposited into the Pari Mutuel Wagering Trust Fund in the  
22 Department of Business and Professional Regulation. If any  
23 slot machine licensee fails to pay penalties imposed by order  
24 of the division under this subsection, the division may  
25 suspend, revoke, or fail to renew the license of the slot  
26 machine licensee.

27           (5) FAILURE TO PAY TAX; GROUNDS TO SUSPEND, REVOKE, OR  
28 FAIL TO RENEW THE LICENSE.--In addition to the penalties  
29 imposed under subsection (4), any willful or wanton failure by  
30 a slot machine licensee to make payments of the tax  
31 constitutes sufficient grounds for the division to suspend,



1 revoke, or fail to renew the license of the slot machine  
2 licensee.

3 (6) SUBMISSION OF FUNDS.--The division may require  
4 slot machine licensees to remit taxes, fees, fines, and  
5 assessments by electronic funds transfer.

6 (7) LOCAL EDUCATION SUPPLEMENTAL SLOT MACHINE TAX.--

7 (a) On January 1 of each year, an annual tax of \$500  
8 per machine shall be imposed upon each slot machine approved  
9 for use at any slot machine licensee's facility. The slot  
10 machine licensee shall, on or before March 1 of each year, pay  
11 the total amount of such tax to the division. The division  
12 shall deposit any tax imposed pursuant to this subsection in  
13 the Educational Enhancement Trust Fund in the Department of  
14 Education on or before July 1 of each year. The Department of  
15 Education shall, on or before August 1 of each year, forward  
16 to the school district where a slot machine licensee is  
17 located, any tax revenues collected from such slot machine  
18 licensee pursuant to this subsection. The school district  
19 shall use such revenues to pay additional:

20 1. Supplemental public education instruction expenses;

21 2. Classroom and school facilities construction  
22 expenses;

23 3. School safety expenses; or

24 4. Educational infrastructure expenses.

25  
26 All expenses under this paragraph must have been incurred as a  
27 direct result of the slot machine licensee's operation of slot  
28 machines in the school district during the immediately  
29 preceding school year.

30 (b) On or before June 30 of each year following a  
31 school district's receipt of tax revenues, the Department of

1 Education shall conduct a independent audit for purposes of  
2 confirming the amount of any additional expenses to the school  
3 district which are attributable to such district as a direct  
4 result of the slot machine licensee's operations of slot  
5 machines in the school district during the immediately  
6 preceding school year. The amount of the tax revenues received  
7 from a slot machine licensee pursuant to this section, in  
8 excess of the amount of any such additional direct expenses,  
9 as determined by the Department of Education audit, shall be  
10 returned to the Educational Enhancement Trust Fund within 90  
11 days after the audit becomes final.

12 551.107 Occupational license required; application;  
13 fee.--

14 (1) The individuals and entities that are licensed  
15 under this section require heightened state scrutiny,  
16 including the submission by the individual licensees or  
17 persons associated with the entities described in this chapter  
18 of fingerprints for a criminal records check.

19 (2)(a) The following licenses shall be issued to  
20 persons or entities having access to the designated slot  
21 machine gaming area or to persons who, by virtue of the  
22 position they hold, might be granted access to these areas or  
23 to any other person or entity in one of the following  
24 categories:

25 1. General occupational licenses for general  
26 employees, food service, maintenance, and other similar  
27 service and support employees having access to the designated  
28 slot machine gaming area. Service and support employees with a  
29 current pari-mutuel occupational license issued pursuant to  
30 chapter 550 and a current background check are not required to  
31 submit to an additional background check for a slot machine

1 occupational license as long as the pari-mutuel occupational  
2 license remains in good standing.

3 2. Professional occupational licenses for any person,  
4 proprietorship, partnership, corporation, or other entity that  
5 is authorized by a slot machine licensee to manage, oversee,  
6 or otherwise control daily operations as a slot machine  
7 manager, floor supervisor, security personnel, or any other  
8 similar position of oversight of gaming operations.

9 3. Business occupational licenses for any slot machine  
10 management company or slot machine business associated with  
11 slot machine gaming or a person who manufactures, distributes,  
12 or sells slot machines, slot machine paraphernalia, or other  
13 associated equipment to slot machine licensees or any person  
14 not an employee of the slot machine licensee who provides  
15 maintenance, repair, or upgrades or otherwise services a slot  
16 machine or other slot machine equipment.

17 (b) Slot machine occupational licenses are not  
18 transferable.

19 (3) A slot machine licensee shall not employ or  
20 otherwise allow a person to work at a slot machine facility  
21 unless such person holds a valid occupational license. A slot  
22 machine licensee shall not contract or otherwise do business  
23 with a business required to hold a slot machine occupational  
24 license unless the business holds such a license. A slot  
25 machine licensee shall not employ or otherwise allow a person  
26 to work in a supervisory or management professional level at a  
27 slot machine facility unless such person holds a valid  
28 occupational license.

29 (4)(a) A person seeking a slot machine occupational  
30 license, or renewal thereof, shall make application on forms  
31 prescribed by the division and include payment of the

1 appropriate application fee. Initial and renewal applications  
2 for slot machine occupational licenses shall contain all the  
3 information the division, by rule, may determine is required  
4 to ensure eligibility.

5 (b) The division shall establish, by rule, a schedule  
6 for the annual renewal of slot machine occupational licenses.

7 (c) Pursuant to rules adopted by the division, any  
8 person may apply for and, if qualified, be issued an  
9 occupational license valid for a period of 3 years upon  
10 payment of the full occupational license fee for each of the 3  
11 years for which the license is issued. The occupational  
12 license shall be valid during its specified term at any slot  
13 machine facility where slot machine gaming is authorized to be  
14 conducted.

15 (d) The slot machine occupational license fee for  
16 initial application and annual renewal shall be determined by  
17 rule of the division but shall not exceed \$50 for a general or  
18 professional occupational license for an employee of the slot  
19 machine licensee or \$1,000 for a business occupational license  
20 for nonemployees of the licensee providing goods or services  
21 to the slot machine licensee. License fees for general  
22 occupational licensees shall be paid for by the slot machine  
23 licensee. Failure to pay the required fee shall be grounds for  
24 disciplinary action by the division against the slot machine  
25 licensee but shall not be considered a violation of this  
26 chapter or rules of the division by the general occupational  
27 licensee or a prohibition against the initial issuance or the  
28 renewal of the general occupational license.

29 (5) If the state gaming commission or other similar  
30 regulatory authority of another state or jurisdiction extends  
31

1 to the division reciprocal courtesy to maintain disciplinary  
2 control, the division may:

3 (a) Deny an application for or revoke, suspend, or  
4 place conditions or restrictions on a license of a person or  
5 entity who has been refused a license by any other state  
6 gaming commission or similar authority; or

7 (b) Deny an application for or suspend or place  
8 conditions on a license of any person or entity who is under  
9 suspension or has unpaid fines in another jurisdiction.

10 (6)(a) The division may deny, suspend, revoke, or  
11 declare ineligible any occupational license if the applicant  
12 for or holder thereof has violated the provisions of this  
13 chapter or the rules of the division governing the conduct of  
14 persons connected with slot machine gaming. In addition, the  
15 division may deny, suspend, revoke, or declare ineligible any  
16 occupational license if the applicant for such license has  
17 been convicted in this state, in any other state, or under the  
18 laws of the United States of a capital felony, a felony, or an  
19 offense in any other state which would be a felony under the  
20 laws of this state involving arson; trafficking in, conspiracy  
21 to traffic in, smuggling, importing, conspiracy to smuggle or  
22 import, or delivery, sale, or distribution of a controlled  
23 substance; or a crime involving a lack of good moral  
24 character, or has had a slot machine gaming license revoked by  
25 this state or any other jurisdiction for an offense related to  
26 slot machine gaming.

27 (b) The division may deny, declare ineligible, or  
28 revoke any occupational license if the applicant for such  
29 license or the licensee has been convicted of a felony or  
30 misdemeanor in this state, in any other state, or under the  
31 laws of the United States, if such felony or misdemeanor is

1 related to gambling or bookmaking as contemplated in s.  
2 849.25.

3 (7) Fingerprints for all slot machine occupational  
4 license applications shall be taken in a manner approved by  
5 the division and shall be submitted to the Department of Law  
6 Enforcement and the Federal Bureau of Investigation for a  
7 level II criminal records check upon initial application and  
8 every 5 years thereafter. The division may by rule require an  
9 annual or less frequent records check not to exceed every 5  
10 years of all renewal applications for a slot machine  
11 occupational license. The cost of processing fingerprints and  
12 conducting a records check shall be borne by the applicant.

13 (8) All moneys collected pursuant to this section  
14 shall be deposited into the Pari-mutuel Wagering Trust Fund.

15 551.108 Prohibited relationships.--

16 (1) A person employed by or performing any function on  
17 behalf of the division shall not:

18 (a) Be an officer, director, owner, or employee of any  
19 person or entity licensed by the division.

20 (b) Have or hold any interest, direct or indirect, in  
21 or engage in any commerce or business relationship with any  
22 person licensed by the division.

23 (2) A manufacturer or distributor of slot machines  
24 shall not enter into any contract with a slot machine licensee  
25 which provides for any revenue sharing of any kind or nature  
26 which is, directly or indirectly, calculated on the basis of a  
27 percentage of slot machine revenues. Any maneuver, shift, or  
28 device whereby this provision is violated shall be a violation  
29 of this chapter and shall render any such agreement void.

30 (3) A manufacturer or distributor of slot machines or  
31 any equipment necessary for the operation of slot machines or

1 an officer, director, or employee of any such manufacturer or  
2 distributor shall not have any ownership or financial interest  
3 in a slot machine license or in any business owned by the slot  
4 machine licensee.

5 551.109 Prohibited acts.--

6 (1) Except as otherwise provided by law and in  
7 addition to any other penalty, any person who intentionally  
8 makes or causes to be made or aids, assists, or procures  
9 another to make a false statement in any report, disclosure,  
10 application, or any other document required under this chapter  
11 or any rule adopted under this chapter is subject to an  
12 administrative fine or civil penalty of up to \$10,000.

13 (2) Except as otherwise provided by law and in  
14 addition to any other penalty, any person who possesses a slot  
15 machine without the license required by this chapter or who  
16 possesses a slot machine at any location other than at the  
17 slot machine licensee facility is subject to an administrative  
18 fine or civil penalty of up to \$10,000.

19 (3) Except as otherwise provided by law and in  
20 addition to any other penalty, any person who intentionally  
21 excludes, or takes any action in an attempt to exclude,  
22 anything or its value from the deposit, counting, collection,  
23 or computation of revenues from slot machine activity is  
24 subject to an administrative fine or civil penalty of up to  
25 \$25,000.

26 (4) Any person who, with intent to manipulate the  
27 outcome, payoff, or operation of a slot machine by physical  
28 tampering, or by use of any object, instrument, or device,  
29 whether mechanical, electrical, magnetic, or involving other  
30 means, manipulates the outcome, payoff, or operation of a slot  
31

1 machine commits a felony of the third degree, punishable as  
2 provided in s. 775.082, s. 775.083, or s. 775.084.

3 (5) All penalties imposed and collected must be  
4 deposited into the Pari-mutuel Wagering Trust Fund in the  
5 department.

6 551.110 Illegal devices.--Notwithstanding any  
7 provision of law to the contrary, no slot machine  
8 manufactured, sold, distributed, possessed, or operated  
9 according to the provisions of this chapter shall be  
10 considered unlawful.

11 551.111 Exclusions of certain persons.--

12 (1) In addition to the power to exclude certain  
13 persons from any facility of a slot machine licensee in this  
14 state, the division may exclude any person from any facility  
15 of a slot machine licensee in this state for conduct that  
16 would constitute, if the person were a licensee, a violation  
17 of this chapter or the rules of the division. The division may  
18 exclude from any facility of a slot machine licensee any  
19 person who has been ejected from a facility of a slot machine  
20 licensee in this state or who has been excluded from any  
21 facility of a slot machine licensee or gaming facility in  
22 another state by the governmental department, agency,  
23 commission, or authority exercising regulatory jurisdiction  
24 over the gaming in such other state.

25 (2) This section shall not be construed to abrogate  
26 the common law right of a slot machine licensee to exclude a  
27 patron absolutely in this state.

28 (3) The division may authorize any person who has been  
29 ejected or excluded from a facility of a slot machine licensee  
30 in this state or another state to attend a facility of a slot  
31 machine licensee in this state upon a finding that the



1 attendance of such person at a facility of a slot machine  
2 licensee would not be adverse to the public interest or to the  
3 integrity of the industry; however, this section shall not be  
4 construed to abrogate the common law right of a slot machine  
5 licensee to exclude a patron absolutely in this state.

6 551.112 Minors prohibited from playing slot  
7 machines.--

8 (1) A slot machine licensee or agent or employee of a  
9 slot machine licensee shall not:

10 (a) Allow a person who has not attained 21 years of  
11 age to play any slot machine.

12 (b) Allow a person who has not attained 21 years of  
13 age access to the designated slot machine gaming area of a  
14 facility of a slot machine licensee.

15 (c) Allow a person who has not attained 21 years of  
16 age to be employed in any position allowing or requiring  
17 access to the designated slot machine gaming area of a  
18 facility of a slot machine licensee.

19 (2) No person licensed under this chapter, or any  
20 agent or employee of a licensee under this chapter, shall  
21 intentionally allow a person who has not attained 21 years of  
22 age to play or operate a slot machine or have access to the  
23 designated slot machine area of a facility of a slot machine  
24 licensee.

25 (3) The eligible facility shall post clear and  
26 conspicuous signage within the designated slot machine gaming  
27 areas that states the following:

28 THE PLAYING OF SLOT MACHINES BY PERSONS  
29 UNDER THE AGE OF 21 IS AGAINST FLORIDA LAW  
30 (SECTION 551.112, FLORIDA STATUTES).  
31 PROOF OF AGE MAY BE REQUIRED AT ANYTIME

1                   A PERSON IS WITHIN THIS AREA.  
2                   551.113 Designated slot machine gaming areas.--  
3                   (1) A slot machine licensee may make available for  
4 play slot machines within its designated slot machine gaming  
5 areas.  
6                   (2) A slot machine licensee shall not allow any  
7 automated teller machine or similar device designed to provide  
8 credit or dispense cash to be located on the property of the  
9 facilities of the slot machine licensee.  
10                  (3) A slot machine licensee shall not make any loan or  
11 provide credit or advance cash to enable a person to play a  
12 slot machine.  
13                  (4) The slot machine operator shall display  
14 pari-mutuel races or games within the designated slot machine  
15 gaming areas and offer within the designated slot machine  
16 gaming areas the ability for patrons to engage in pari-mutuel  
17 wagering on live and simulcast races conducted or offered to  
18 patrons of the eligible facility.  
19                  (5) No complimentary alcoholic beverages shall be  
20 served to patrons within the designated slot machine gaming  
21 areas.  
22                  (6) The slot machine operator shall offer training to  
23 employees on responsible gaming and shall work with the  
24 compulsive gambling treatment program within the Mental Health  
25 Program Office of the Department of Children and Family  
26 Services to recognize problem gaming situations and to  
27 implement responsible gaming programs and practices.  
28                  (7) The division shall require the posting of signs in  
29 the designated slot machine gaming areas warning of the risks  
30 and dangers of gambling, showing the odds of winning, and  
31 informing patrons of the toll-free telephone number available

1 to provide information and referral services regarding  
2 compulsive or problem gambling.

3 (8) The division shall establish standards of approval  
4 for the physical layout and construction of any facility or  
5 building devoted to slot machine operations. The standards  
6 shall require that the slot machine gaming area be connected  
7 to and contiguous within the operation of the live gaming  
8 facility. It is the intent of the Legislature that each  
9 facility:

10 (a) Possess superior consumer amenities and  
11 conveniences to encourage and attract the patronage of  
12 tourists and other visitors from across the region, state, and  
13 nation.

14 (b) Have adequate motor vehicle parking facilities to  
15 satisfy patron requirements.

16 (c) Have a physical layout and location that  
17 facilitates access to the pari-mutuel portion of the facility.

18 551.114 Days and hours of operation.--Slot machine  
19 gaming areas may be open 365 days a year. The slot machine  
20 gaming areas may be open for a maximum of 16 hours per day.

21 551.116 Penalties.--The division may revoke or suspend  
22 any license issued under this chapter upon the willful  
23 violation by the licensee of any provision of this chapter or  
24 of any rule adopted under this chapter. In lieu of suspending  
25 or revoking a license, the division may impose a civil penalty  
26 against the licensee for a violation of this chapter or any  
27 rule adopted by the division. Except as otherwise provided in  
28 this chapter, the penalty so imposed may not exceed \$1,000 for  
29 each count or separate offense. All penalties imposed and  
30 collected must be deposited into the Pari-mutuel Wagering  
31 Trust Fund in the department.

1           551.117 Compulsive gambling program.--The division may  
2 contract for provision of services related to the prevention  
3 and treatment of compulsive and addictive gambling. The terms  
4 of any contract for the provision of such services shall  
5 include accountability standards that must be met by any  
6 private provider. The failure of any private provider to meet  
7 any material terms of the contract, including the  
8 accountability standards, shall constitute a breach of  
9 contract or grounds for nonrenewal. The division may consult  
10 with the Department of the Lottery in the development of the  
11 program and the development and analysis of any procurement  
12 for contractual services for its compulsive or addictive  
13 gambling prevention and treatment program. The compulsive or  
14 addictive gambling prevention and treatment program shall be  
15 funded from the annual nonrefundable regulatory fee provided  
16 for in this section. The licensee must pay to the division an  
17 annual nonrefundable regulatory fee of \$100 per slot machine,  
18 on July 1, of each year, which shall be deposited into the  
19 Pari-mutuel Wagering Trust Fund.

20           551.118 Catering license.--A slot machine retailer is  
21 entitled to a caterer's license pursuant to s. 565.02 on days  
22 in which the pari-mutuel facility is open to the public for  
23 slot machine game play as authorized by this chapter.

24           551.119 Rulemaking.--

25           (1) The division may adopt rules pursuant to ss.  
26 120.536(1) and 120.54 to implement the provisions of this  
27 chapter.

28           (2) In order to expedite the licensing requirements of  
29 this chapter, the division may adopt emergency rules pursuant  
30 to s. 120.54(4). The Legislature finds that such emergency  
31 rules are necessary for the preservation of the rights and

1 welfare of the people in order to provide additional funds to  
2 the benefit of the public. Therefore, in adopting such  
3 emergency rules, the division need not make the findings  
4 required by s. 120.54(4)(a).

5 551.120 Conduct of referendum election for slot  
6 machines.--

7 (1) Any person who possesses the qualifications  
8 prescribed by s. 23, Art. X of the State Constitution may  
9 apply to the division for a license to conduct slot machine  
10 operations under this chapter. Applications for a license to  
11 conduct slot machine operations shall be subject to the  
12 provisions of this chapter. Such license does not authorize  
13 any operation of slot machines until approved by the majority  
14 of electors participating in a referendum election in the  
15 county in which the applicant proposes to conduct slot machine  
16 activities.

17 (2) Each referendum held under the provisions of this  
18 section shall be held in accordance with the provisions of  
19 chapters 97-106, except as otherwise provided in this chapter.  
20 A referendum may be held for more than one licensee for slot  
21 machine operation in a given county if the written  
22 applications for each such licensee under s. 551.121 are filed  
23 simultaneously or are otherwise filed within the times  
24 specified by said provision to allow the conduct of a single  
25 referendum. The expense of such referendum shall be borne by  
26 the licensee or licensees requesting the referendum. For  
27 purposes of this section, the expense of conducting a  
28 referendum is the incremental expense in excess of routine  
29 operating expenses that are incurred by the governing body,  
30 the supervisor of elections, and other essential governmental  
31 entities in conducting the election. If the referendum is

1 being held at the request of more than one licensee, each  
2 applicant shall be responsible for an equal share of the  
3 expense.

4 551.121 Elections for ratification of slot machine  
5 licenses.--

6 (1) The holder of any license to conduct slot machine  
7 operations may have the question of whether that slot machine  
8 license will be ratified or rejected submitted to the electors  
9 of the county designated in s. 23, Art. X of the State  
10 Constitution. Such question shall be submitted to the electors  
11 for approval or rejection at a special, primary, or general  
12 election. The licensee shall present a written application to  
13 the governing body of the county that requests a referendum  
14 election in that county pursuant to s. 551.120 and this  
15 section, accompanied by a certified copy of the license  
16 granted by the division. Within 30 days after receipt of the  
17 application and license, the governing body shall order a  
18 special referendum election. The election shall be scheduled  
19 for no sooner than 21 days nor more than 90 days from the date  
20 on which it is ordered. Provided, the referendum election will  
21 be held in conjunction with the primary election if the  
22 application is received within not more than 90 nor less than  
23 60 days of such election or in conjunction with the general  
24 election if the application is received not more than 90 nor  
25 less than 60 days prior to that election. The governing body  
26 shall give notice of the referendum election by publishing  
27 notice once each week for 2 consecutive weeks in one or more  
28 newspapers of general circulation in the county.

29 (2)(a) Once the slot machine license has been issued,  
30 the licensee shall have a period of 2 years in which to  
31 request a referendum election pursuant to this section or such

1 license shall become void and shall be cancelled. If the  
2 majority of the electors voting on the question of  
3 ratification or rejection of the slot machine licenses vote  
4 for such ratification, such license shall become effective  
5 immediately, and the holder of the license may conduct slot  
6 machine operations upon complying with the other provision of  
7 this chapter. If the majority of electors voting on the  
8 question of ratification or rejection of any slot machine  
9 licenses ratify the license, such license shall become  
10 effective, and the licensee shall pay to the division within  
11 10 days the license fee set out in this chapter.

12 (b) If the majority of electors voting on the question  
13 of ratification or rejection of any slot machine licenses  
14 reject the ratification of the license, such license shall  
15 become void. The governing board of the county shall  
16 immediately certify the results of the election to the  
17 division.

18 Section 3. (1) Sixty-four full-time equivalent  
19 positions are authorized and the sums of \$4,792,259 in  
20 recurring and \$4,036,486 in nonrecurring funds are hereby  
21 appropriated from the Pari-mutuel Wagering Trust Fund in the  
22 Department of Business and Professional Regulation for the  
23 purpose of carrying out all regulatory activities provided  
24 herein. The Executive Office of the Governor shall place  
25 these funds and positions in reserve until such time as the  
26 Department of Business and Professional Regulation submits an  
27 expenditure plan for approval to the Executive Office of the  
28 Governor, and the chair and vice chair of the Legislative  
29 Budget Commission in accordance with the provisions of section  
30 216.177, Florida Statutes.

31

1           (2) The sums of \$2,634,349 in recurring and \$1,814,916  
2 in nonrecurring funds are hereby appropriated from the  
3 Pari-mutuel Wagering Trust Fund in the Department of Business  
4 and Professional Regulation for transfer to the Department of  
5 Law Enforcement for the purpose of investigations,  
6 intelligence gathering, background investigations, and any  
7 other responsibilities as provided for herein. Fifty-seven  
8 full-time equivalent positions are authorized and the sums of  
9 \$2,634,349 in recurring and \$1,814,916 in nonrecurring funds  
10 are hereby appropriated from the Operating Trust Fund in the  
11 Department of Law Enforcement for the purpose of  
12 investigations, intelligence gathering, background  
13 investigations, an any other responsibilities as provided for  
14 herein. The Executive Office of the Governor shall place  
15 these funds and positions in reserve until such time as the  
16 Department of Law Enforcement submits an expenditure plan for  
17 approval to the Executive Office of the Governor and the chair  
18 and vice chair of the Legislative Budget Commission in  
19 accordance with the provisions of section 216.177, Florida  
20 Statutes.

21           (3) The sums of \$608,118 in recurring and \$24,498 in  
22 nonrecurring funds are hereby appropriated from the  
23 Pari-mutuel Wagering Trust Fund in the Department of Business  
24 and Professional Regulation for transfer to the Office of the  
25 State Attorney, 17th Judicial Circuit, for the purpose of  
26 prosecution of offenses associated with gaming operations.  
27 Ten full-time equivalent positions are authorized and the sums  
28 of \$608,118 in recurring and \$24,498 in nonrecurring funds are  
29 hereby appropriated from the Grants and Donations Trust Fund  
30 in the Office of the State Attorney, 17th Judicial Circuit,  
31 for the purpose of prosecution of offenses associated with



1 gaming operations. The Executive Office of the Governor shall  
2 place these funds and positions in reserve until such time as  
3 the Office of the State Attorney, 17th Judicial Circuit,  
4 submits an expenditure plan for approval to the Executive  
5 Office of the Governor and the chair and vice chair of the  
6 Legislative Budget Commission in accordance with the  
7 provisions of section 216.177, Florida Statutes.

8 (4) The sum of \$1 million is hereby appropriated from  
9 the Pari-mutuel Wagering Trust Fund from revenues received  
10 pursuant to section 551.117, Florida Statutes, in the  
11 Department of Business and Professional Regulation for  
12 contract services related to the prevention and treatment of  
13 compulsive and addictive gambling.

14 Section 4. Except as otherwise expressly provided in  
15 this act, this act shall take effect upon becoming a law.

16  
17 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
18 COMMITTEE SUBSTITUTE FOR  
19 CS/CS Senate Bill 1174

20 The initial, one-time licensing fee for slot facilities is  
21 increased from \$1 million to \$4 million to pay for the  
22 regulatory costs of the Department of Business and  
23 Professional Regulation (DBPR), Florida Department of Law  
24 Enforcement (FDLE), and the 17th Circuit State Attorney's  
25 Office.

26 DBPR is required to contract for a compulsive gambling  
27 prevention and treatment program. A fee of \$100 per slot  
28 machine is assessed to fund the program.

29 Appropriations and new positions are provided for DBPR, FDLE,  
30 and the 17th Circuit State Attorney's Office to meet the  
31 workload requirements of this bill. The funds must be held in  
reserve and released on the recommendation of the Governor and  
the approval of the Legislative Budget Commission pursuant to  
s. 216.177, Florida Statutes. Funds are also appropriated for  
the compulsive gambling prevention and treatment program.

A condition of licensure as a slot facility is changed from a  
requirement that the facility conduct as many live races or  
games as in 2002 or 2003 to a requirement that the facility  
conduct a full schedule of live races or games, as defined in  
550.002(11).