

CHAMBER ACTION

1 The Fiscal Council recommends the following:

2
3 **Council/Committee Substitute**

4 Remove the entire bill and insert:

5
6 A bill to be entitled
7 An act relating to slot machine gaming; creating ch. 551,
8 F.S.; implementing s. 23, Art. X of the State
9 Constitution; authorizing slot machines and slot machine
10 gaming within certain pari-mutuel facilities located in
11 Miami-Dade and Broward Counties upon approval by a local
12 referendum; providing definitions; providing powers and
13 duties of the Division of Pari-mutuel Wagering of the
14 Department of Business and Professional Regulation, the
15 Department of Law Enforcement, and local law enforcement
16 agencies; providing for licensure to conduct slot machine
17 gaming; providing for temporary licensure; providing
18 licensing conditions on holders of thoroughbred pari-
19 mutuel wagering permits; providing for slot machine
20 licensure renewal; providing for a license fee and tax
21 rate; providing for payment procedures; providing
22 penalties; providing for slot machine occupational
23 licenses and application fees; providing penalties;

24 | prohibiting certain relationships; prohibiting certain
 25 | acts and providing penalties; providing an exception to
 26 | prohibitions relating to slot machines; providing for the
 27 | exclusion of certain persons from facilities; prohibiting
 28 | persons under 21 years of age from slot machine gaming
 29 | areas or playing slot machines; providing requirements for
 30 | slot machine gaming areas; providing for days and hours of
 31 | operation; providing penalties; providing a compulsive or
 32 | addictive gambling prevention program; providing for
 33 | funding; providing for a caterer's license; specifying
 34 | prohibited activities and devices; prohibiting automated
 35 | teller machines on the property of a slot machine
 36 | licensee; providing for rulemaking; amending s. 849.15,
 37 | F.S.; providing for transportation of certain gaming
 38 | devices in accordance with federal law; amending s.
 39 | 895.02, F.S.; providing that specified violations related
 40 | to slot machine gaming constitute racketeering activity;
 41 | providing that certain debt incurred in violation of
 42 | specified provisions relating to slot machine gaming
 43 | constitutes unlawful debt; providing for preemption;
 44 | authorizing additional positions and providing
 45 | appropriations; providing for use of funds; amending s.
 46 | 215.22, F.S.; exempting taxes imposed on slot machine
 47 | revenues from specified service charges; providing for use
 48 | of certain unreserved funds in the Pari-mutuel Wagering
 49 | Trust Fund; providing for repayment of such funds;
 50 | providing an effective date.

51 |

HB1B

2005
CS

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

53

54 Section 1. Chapter 551, Florida Statutes, consisting of
55 sections 551.101, 551.102, 551.103, 551.104, 551.1045, 551.105,
56 551.106, 551.107, 551.108, 551.109, 551.111, 551.112, 551.113,
57 551.114, 551.116, 551.117, 551.118, 551.119, 551.121, and
58 551.122, is created to read:

59

CHAPTER 551

60

SLOT MACHINES

61 551.101 Slot machine gaming authorized.--Any licensed
62 pari-mutuel facility located in Miami-Dade County or Broward
63 County existing at the time of adoption of s. 23, Art. X of the
64 State Constitution that has conducted live racing or games
65 during calendar years 2002 and 2003 may possess slot machines
66 and conduct slot machine gaming at the location where the pari-
67 mutuel permitholder is authorized to conduct pari-mutuel
68 wagering activities pursuant to such permitholder's valid pari-
69 mutuel permit provided that a majority of voters in a countywide
70 referendum have approved slot machines at such facility in the
71 respective county. Notwithstanding any other provision of law,
72 it is not a crime for a person to participate in slot machine
73 gaming at a pari-mutuel facility licensed to possess and conduct
74 slot machine gaming or to participate in slot machine gaming
75 described in this chapter.

76 551.102 Definitions.--As used in this chapter, the term:

77 (1) "Distributor" means any person who sells, leases, or
78 offers or otherwise provides, distributes, or services any slot
79 machine or associated equipment for use or play of slot machines

HB 1B

2005
CS

80 in this state. A manufacturer may be a distributor within the
81 state.

82 (2) "Designated slot machine gaming area" means the area
83 or areas of a facility of a slot machine licensee in which slot
84 machine gaming may be conducted in accordance with the
85 provisions of this chapter.

86 (3) "Division" means the Division of Pari-mutuel Wagering
87 of the Department of Business and Professional Regulation.

88 (4) "Eligible facility" means any licensed pari-mutuel
89 facility located in Miami-Dade County or Broward County existing
90 at the time of adoption of s. 23, Art. X of the State
91 Constitution that has conducted live racing or games during
92 calendar years 2002 and 2003 and has been approved by a majority
93 of voters in a countywide referendum to have slot machines at
94 such facility in the respective county.

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

101 (6) "Progressive system" means a computerized system
102 linking slot machines in one or more licensed facilities within
103 this state and offering one or more common progressive payouts
104 based on the amounts wagered.

105 (7) "Slot machine" means any mechanical or electrical
106 contrivance, terminal that may or may not be capable of
107 downloading slot games from a central server system, machine, or

HB 1B

2005
CS

108 other device that, upon insertion of a coin, bill, ticket,
109 token, or similar object or upon payment of any consideration
110 whatsoever, including the use of any electronic payment system
111 except a credit card or debit card, is available to play or
112 operate, the play or operation of which, whether by reason of
113 skill or application of the element of chance or both, may
114 deliver or entitle the person or persons playing or operating
115 the contrivance, terminal, machine, or other device to receive
116 cash, billets, tickets, tokens, or electronic credits to be
117 exchanged for cash or to receive merchandise or anything of
118 value whatsoever, whether the payoff is made automatically from
119 the machine or manually. The term includes associated equipment
120 necessary to conduct the operation of the contrivance, terminal,
121 machine, or other device. Slot machines may use spinning reels,
122 video displays, or both. A slot machine is not a "coin-operated
123 amusement machine" as defined in s. 212.02(24) or an amusement
124 game or machine as described in s. 849.161, and slot machines
125 are not subject to the tax imposed by s. 212.05(1)(h).

126 (8) "Slot machine facility" means a facility at which slot
127 machines as defined in this chapter are lawfully offered for
128 play.

129 (9) "Slot machine license" means a license issued by the
130 division authorizing a pari-mutuel permitholder to place and
131 operate slot machines as provided by s. 23, Art. X of the State
132 Constitution, the provisions of this chapter, and division
133 rules.

134 (10) "Slot machine licensee" means a pari-mutuel
135 permitholder who holds a license issued by the division pursuant

136 to this chapter that authorizes such person to possess a slot
 137 machine within facilities specified in s. 23, Art. X of the
 138 State Constitution and allows slot machine gaming.

139 (11) "Slot machine operator" means a person employed or
 140 contracted by the owner of a licensed facility to conduct slot
 141 machine gaming at that licensed facility.

142 (12) "Slot machine revenues" means the total of all cash
 143 and property received by the slot machine licensee from the
 144 operation of slot machines less the amount of cash, cash
 145 equivalents, credits, and prizes paid to winners of slot machine
 146 gaming.

147 551.103 Powers and duties of the division and law
 148 enforcement.--

149 (1) The division shall adopt, pursuant to the provisions
 150 of ss. 120.536(1) and 120.54, all rules necessary to implement,
 151 administer, and regulate slot machine gaming as authorized in
 152 this chapter. Such rules must include:

153 (a) Procedures for applying for a slot machine license and
 154 renewal of a slot machine license.

155 (b) Technical requirements and the qualifications
 156 contained in this chapter that are necessary to receive a slot
 157 machine license or slot machine occupational license.

158 (c) Procedures to scientifically test and technically
 159 evaluate slot machines for compliance with this chapter. The
 160 division may contract with an independent testing laboratory to
 161 conduct any necessary testing under this section. The
 162 independent testing laboratory must have a national reputation
 163 which is demonstrably competent and qualified to scientifically

164 test and evaluate slot machines for compliance with this chapter
 165 and to otherwise perform the functions assigned to it in this
 166 chapter. An independent testing laboratory shall not be owned or
 167 controlled by a licensee. The use of an independent testing
 168 laboratory for any purpose related to the conduct of slot
 169 machine gaming by a licensee under this chapter shall be made
 170 from a list of one or more laboratories approved by the
 171 division.

172 (d) Procedures relating to slot machine revenues,
 173 including verifying and accounting for such revenues, auditing,
 174 and collecting taxes and fees consistent with this chapter.

175 (e) Procedures for regulating, managing, and auditing the
 176 operation, financial data, and program information relating to
 177 slot machine gaming that allow the division and the Department
 178 of Law Enforcement to audit the operation, financial data, and
 179 program information of a slot machine licensee, as required by
 180 the division or the Department of Law Enforcement, and provide
 181 the division and the Department of Law Enforcement with the
 182 ability to monitor, at any time on a real-time basis, wagering
 183 patterns, payouts, tax collection, and compliance with any rules
 184 adopted by the division for the regulation and control of slot
 185 machines operated under this chapter. Such continuous and
 186 complete access, at any time on a real-time basis, shall include
 187 the ability of either the division or the Department of Law
 188 Enforcement to suspend play immediately on particular slot
 189 machines if monitoring of the facilities-based computer system
 190 indicates possible tampering or manipulation of those slot
 191 machines or the ability to suspend play immediately of the

192 entire operation if the tampering or manipulation is of the
 193 computer system itself. The division shall notify the Department
 194 of Law Enforcement or the Department of Law Enforcement shall
 195 notify the division, as appropriate, whenever there is a
 196 suspension of play under this paragraph. The division and the
 197 Department of Law Enforcement shall exchange such information
 198 necessary for and cooperate in the investigation of the
 199 circumstances requiring suspension of play under this paragraph.

200 (f) Procedures for requiring each licensee at his or her
 201 own cost and expense to supply the division with a bond having
 202 the penal sum of \$2 million payable to the Governor and his or
 203 her successors in office for the licensee's first year of slot
 204 machine operations. Annually thereafter, the licensee shall file
 205 a bond having a penal sum that is determined each year by the
 206 division pursuant to rules adopted by the division and that
 207 approximates the anticipated state revenues from the licensee's
 208 slot machine operation; however, the bond may not in any case be
 209 less than \$2 million. Any bond shall be issued by a surety or
 210 sureties approved by the division and the Chief Financial
 211 Officer, conditioned to faithfully make the payments to the
 212 Chief Financial Officer in his or her capacity as treasurer of
 213 the division. The licensee shall be required to keep its books
 214 and records and make reports as provided in this chapter and to
 215 conduct its slot machine operations in conformity with this
 216 chapter and all other provisions of law. Such bond shall be
 217 separate and distinct from the bond required in s. 550.125.

218 (g) Procedures for requiring licensees to maintain
 219 specified records and submit any data, information, record, or

220 report, including financial and income records, required by this
 221 chapter or determined by the division to be necessary to the
 222 proper implementation and enforcement of this chapter.

223 (h) A requirement that the payout percentage of a slot
 224 machine be no less than 85 percent.

225 (i) Minimum standards for security of the facilities,
 226 including floor plans, security cameras, and other security
 227 equipment.

228 (2) The division shall conduct such investigations
 229 necessary to fulfill its responsibilities under the provisions
 230 of this chapter.

231 (3) The Department of Law Enforcement and local law
 232 enforcement agencies shall have concurrent jurisdiction to
 233 investigate criminal violations of this chapter and may
 234 investigate any other criminal violation of law occurring at the
 235 facilities of a slot machine licensee, and such investigations
 236 may be conducted in conjunction with the appropriate state
 237 attorney.

238 (4)(a) The division, the Department of Law Enforcement,
 239 and local law enforcement agencies shall have unrestricted
 240 access to the slot machine licensee's facility at all times and
 241 shall require of each slot machine licensee strict compliance
 242 with the laws of this state relating to the transaction of such
 243 business. The division, the Department of Law Enforcement, and
 244 local law enforcement agencies may:

245 1. Inspect and examine premises where slot machines are
 246 offered for play.

247 2. Inspect slot machines and related equipment and
 248 supplies.

249 (b) In addition, the division may:

250 1. Collect taxes, assessments, fees, and penalties.

251 2. Deny, revoke, suspend, or place conditions on the
 252 license of a person who violates any provision of this chapter
 253 or rule adopted pursuant thereto.

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

258 (6) This section does not:

259 (a) Prohibit the Department of Law Enforcement or any law
 260 enforcement authority whose jurisdiction includes a licensed
 261 facility from conducting investigations of criminal activities
 262 occurring at the facility of the slot machine licensee;

263 (b) Restrict access to the slot machine licensee's
 264 facility by the Department of Law Enforcement or any local law
 265 enforcement authority whose jurisdiction includes the slot
 266 machine licensee's facility; or

267 (c) Restrict access by the Department of Law Enforcement
 268 or local law enforcement authorities to information and records
 269 necessary to the investigation of criminal activity that are
 270 contained within the slot machine licensee's facility.

271 551.104 License to conduct slot machine gaming.--

272 (1) Upon application and a finding by the division after
 273 investigation that the application is complete and the applicant
 274 is qualified and payment of the initial license fee, the

275 division may issue a license to conduct slot machine gaming in
 276 the designated slot machine gaming area of the eligible
 277 facility. Once licensed, slot machine gaming may be conducted
 278 subject to the requirements of this chapter and rules adopted
 279 pursuant thereto.

280 (2) An application may be approved by the division only
 281 after the voters of the county where the applicant's facility is
 282 located have authorized by referendum slot machines within pari-
 283 mutuel facilities in that county as specified in s. 23, Art. X
 284 of the State Constitution.

285 (3) A slot machine license may be issued only to a
 286 licensed pari-mutuel permit holder, and slot machine gaming may
 287 be conducted only at the eligible facility at which the
 288 permit holder is authorized under its valid pari-mutuel wagering
 289 permit to conduct pari-mutuel wagering activities.

290 (4) As a condition of licensure and to maintain continued
 291 authority for the conduct of slot machine gaming, the slot
 292 machine licensee shall:

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

294 (b) Continue to be in compliance with chapter 550, where
 295 applicable, and maintain the pari-mutuel permit and license in
 296 good standing pursuant to the provisions of chapter 550.
 297 Notwithstanding any contrary provision of law and in order to
 298 expedite the operation of slot machines at eligible facilities,
 299 any eligible facility shall be entitled within 60 days after the
 300 effective date of this act to amend its 2006-2007 pari-mutuel
 301 wagering operating license issued by the division under ss.

HB 1B

2005
CS

302 550.0115 and 550.01215. The division shall issue a new license
 303 to the eligible facility to effectuate any approved change.

304 (c) Conduct no fewer than a full schedule of live racing
 305 or games as defined in s. 550.002(11). A permit holder's
 306 responsibility to conduct such number of live races or games
 307 shall be reduced by the number of races or games that could not
 308 be conducted due to the direct result of fire, war, hurricane,
 309 or other disaster or event beyond the control of the
 310 permit holder.

311 (d) Upon approval of any changes relating to the pari-
 312 mutuel permit by the division, be responsible for providing
 313 appropriate current and accurate documentation on a timely basis
 314 to the division in order to continue the slot machine license in
 315 good standing. Changes in ownership or interest of a slot
 316 machine license of 5 percent or more of the stock or other
 317 evidence of ownership or equity in the slot machine license or
 318 any parent corporation or other business entity that in any way
 319 owns or controls the slot machine license shall be approved by
 320 the division prior to such change, unless the owner is an
 321 existing holder of that license who was previously approved by
 322 the division. Changes in ownership or interest of a slot machine
 323 license of less than 5 percent, unless such change results in a
 324 cumulative total of 5 percent or more, shall be reported to the
 325 division within 20 days after the change. The division may then
 326 conduct an investigation to ensure that the license is properly
 327 updated to show the change in ownership or interest. No
 328 reporting is required if the person is holding 5 percent or less
 329 equity or securities of a corporate owner of the slot machine

HB 1B

2005
CS

330 licensee that has its securities registered pursuant to s. 12 of
 331 the Securities Exchange Act of 1934, 15 U.S.C. ss. 78a-78kk, and
 332 if such corporation or entity files with the United States
 333 Securities and Exchange Commission the reports required by s. 13
 334 of that act or if the securities of the corporation or entity
 335 are regularly traded on an established securities market in the
 336 United States. A change in ownership or interest of less than 5
 337 percent which results in a cumulative ownership or interest of 5
 338 percent or more shall be approved by the division prior to such
 339 change unless the owner is an existing holder of the license who
 340 was previously approved by the division.

341 (e) Allow the division and the Department of Law
 342 Enforcement unrestricted access to and right of inspection of
 343 facilities of a slot machine licensee in which any activity
 344 relative to the conduct of slot machine gaming is conducted.

345 (f) Ensure that the facilities-based computer system that
 346 the licensee will use for operational and accounting functions
 347 of the slot machine facility is specifically structured to
 348 facilitate regulatory oversight. The facilities-based computer
 349 system shall be designed to provide the division and the
 350 Department of Law Enforcement with the ability to monitor, at
 351 any time on a real-time basis, the wagering patterns, payouts,
 352 tax collection, and such other operations as necessary to
 353 determine whether the facility is in compliance with statutory
 354 provisions and rules adopted by the division for the regulation
 355 and control of slot machine gaming. The division and the
 356 Department of Law Enforcement shall have complete and continuous
 357 access to this system. Such access shall include the ability of

HB 1B

2005
CS

358 either the division or the Department of Law Enforcement to
 359 suspend play immediately on particular slot machines if
 360 monitoring of the system indicates possible tampering or
 361 manipulation of those slot machines or the ability to suspend
 362 play immediately of the entire operation if the tampering or
 363 manipulation is of the computer system itself. The computer
 364 system shall be reviewed and approved by the division to ensure
 365 necessary access, security, and functionality. The division may
 366 adopt rules to provide for the approval process.

367 (g) Ensure that each slot machine is protected from
 368 manipulation or tampering to affect the random probabilities of
 369 winning plays. The division or the Department of Law Enforcement
 370 shall have the authority to suspend play upon reasonable
 371 suspicion of any manipulation or tampering. When play has been
 372 suspended on any slot machine, the division or the Department of
 373 Law Enforcement may examine any slot machine to determine
 374 whether the machine has been tampered with or manipulated and
 375 whether the machine should be returned to operation.

376 (h) Submit a security plan, including the facilities'
 377 floor plan, the locations of security cameras, and a listing of
 378 all security equipment that is capable of observing and
 379 electronically recording activities being conducted in the
 380 facilities of the slot machine licensee. The security plan must
 381 meet the minimum security requirements as determined by the
 382 division under s. 551.103(1)(i) and be implemented prior to
 383 operation of slot machine gaming. The slot machine licensee's
 384 facilities must adhere to the security plan at all times. Any
 385 changes to the security plan must be submitted by the licensee

386 to the division prior to implementation. The division shall
 387 furnish copies of the security plan and changes in the plan to
 388 the Department of Law Enforcement.

389 (i) Create and file with the division a written policy
 390 for:

391 1. Creating opportunities to purchase from vendors in this
 392 state, including minority vendors.

393 2. Creating opportunities for employment of residents of
 394 this state, including minority residents.

395 3. Ensuring opportunities for construction services from
 396 minority contractors.

397 4. Ensuring that opportunities for employment are offered
 398 on an equal, nondiscriminatory basis.

399 5. Training for employees on responsible gaming and
 400 working with a compulsive or addictive gambling prevention
 401 program to further its purposes as provided for in s. 551.118.

402
 403 The slot machine licensee shall use the Internet-based job-
 404 listing system of the Agency for Workforce Innovation in
 405 advertising employment opportunities. Beginning in June 2007,
 406 each slot machine licensee shall provide an annual report to the
 407 division containing information indicating compliance with this
 408 paragraph in regard to minority persons.

409 (j) Ensure that the payout percentage of a slot machine is
 410 no less than 85 percent.

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

412 (6) A slot machine licensee shall keep and maintain
 413 permanent daily records of its slot machine operation and shall

HB 1B

2005
CS

414 maintain such records for a period of not less than 5 years.
 415 These records must include all financial transactions and
 416 contain sufficient detail to determine compliance with the
 417 requirements of this chapter. All records shall be available for
 418 audit and inspection by the division, the Department of Law
 419 Enforcement, or other law enforcement agencies during the
 420 licensee's regular business hours.

421 (7) A slot machine licensee shall file with the division a
 422 monthly report containing the required records of such slot
 423 machine operation. The required reports shall be submitted on
 424 forms prescribed by the division and shall be due at the same
 425 time as the monthly pari-mutuel reports are due to the division,
 426 and the reports shall be deemed public records once filed.

427 (8) A slot machine licensee shall file with the division
 428 an audit of the receipt and distribution of all slot machine
 429 revenues provided by an independent certified public accountant
 430 verifying compliance with all financial and auditing provisions
 431 of this chapter and the associated rules adopted under this
 432 chapter. The audit must include verification of compliance with
 433 all statutes and rules regarding all required records of slot
 434 machine operations. Such audit shall be filed within 60 days
 435 after the completion of the permitholder's pari-mutuel meet.

436 (9) The division may share any information with the
 437 Department of Law Enforcement, any other law enforcement agency
 438 having jurisdiction over slot machine gaming or pari-mutuel
 439 activities, or any other state or federal law enforcement agency
 440 the division or the Department of Law Enforcement deems
 441 appropriate. Any law enforcement agency having jurisdiction over

442 slot machine gaming or pari-mutuel activities may share any
 443 information obtained or developed by it with the division.

444 (10)(a) No slot machine license or renewal thereof shall
 445 be issued to an applicant holding a permit under chapter 550 to
 446 conduct pari-mutuel wagering meets of thoroughbred racing unless
 447 the applicant has on file with the division a binding written
 448 agreement between the applicant and the Florida Horsemen's
 449 Benevolent and Protective Association, Inc., governing the
 450 payment of purses on live thoroughbred races conducted at the
 451 licensee's pari-mutuel facility. In addition, no slot machine
 452 license or renewal thereof shall be issued to such an applicant
 453 unless the applicant has on file with the division a binding
 454 written agreement between the applicant and the Florida
 455 Thoroughbred Breeders' Association, Inc., governing the payment
 456 of breeders', stallion, and special racing awards on live
 457 thoroughbred races conducted at the licensee's pari-mutuel
 458 facility. The agreement governing purses and the agreement
 459 governing awards may direct the payment of such purses and
 460 awards from revenues generated by any wagering or gaming the
 461 applicant is authorized to conduct under Florida law. All purses
 462 and awards shall be subject to the terms of chapter 550. All
 463 sums for breeders', stallion, and special racing awards shall be
 464 remitted monthly to the Florida Thoroughbred Breeders'
 465 Association, Inc., for the payment of awards subject to the
 466 administrative fee authorized in s. 550.2625(3).

467 (b) The division shall suspend a slot machine license if
 468 one or more of the agreements required under paragraph (a) are
 469 terminated or otherwise cease to operate or if the division

HB 1B

2005
CS

470 determines that the licensee is materially failing to comply
471 with the terms of such an agreement. Any such suspension shall
472 take place in accordance with chapter 120.

473 (c)1. If an agreement required under paragraph (a) cannot
474 be reached prior to the initial issuance of the slot machine
475 license, either party may request arbitration or, in the case of
476 a renewal, if an agreement required under paragraph (a) is not
477 in place 120 days prior to the scheduled expiration date of the
478 slot machine license, the applicant shall immediately ask the
479 American Arbitration Association to furnish a list of 11
480 arbitrators, each of whom shall have at least 5 years of
481 commercial arbitration experience and no financial interest in
482 or prior relationship with any of the parties or their
483 affiliated or related entities or principals. Each required
484 party to the agreement shall select a single arbitrator from the
485 list provided by the American Arbitration Association within 10
486 days of receipt, and the individuals so selected shall choose
487 one additional arbitrator from the list within the next 10 days.

488 2. If an agreement required under paragraph (a) is not in
489 place 60 days after the request under subparagraph 1. in the
490 case of an initial slot machine license or, in the case of a
491 renewal, 60 days prior to the scheduled expiration date of the
492 slot machine license, the matter shall be immediately submitted
493 to mandatory binding arbitration to resolve the disagreement
494 between the parties. The three arbitrators selected pursuant to
495 subparagraph 1. shall constitute the panel that shall arbitrate
496 the dispute between the parties pursuant to the American

HB 1B

2005
CS

497 Arbitration Association Commercial Arbitration Rules and chapter
498 682.

499 3. At the conclusion of the proceedings, which shall be no
500 later than 90 days after the request under subparagraph 1. in
501 the case of an initial slot machine license or, in the case of a
502 renewal, 30 days prior to the scheduled expiration date of the
503 slot machine license, the arbitration panel shall present to the
504 parties a proposed agreement that the majority of the panel
505 believes equitably balances the rights, interests, obligations,
506 and reasonable expectations of the parties. The parties shall
507 immediately enter into such agreement, which shall satisfy the
508 requirements of paragraph (a) and permit issuance of the pending
509 annual slot machine license or renewal. The agreement produced
510 by the arbitration panel under this subparagraph shall be
511 effective until the last day of the license or renewal period or
512 until the parties enter into a different agreement. Each party
513 shall pay its respective costs of arbitration and shall pay one-
514 half of the costs of the arbitration panel, unless the parties
515 otherwise agree. If the agreement produced by the arbitration
516 panel under this subparagraph remains in place 120 days prior to
517 the scheduled issuance of the next annual license renewal, then
518 the arbitration process established in this paragraph will begin
519 again.

520 4. In the event that neither of the agreements required
521 under paragraph (a) are in place by the deadlines established in
522 this paragraph, arbitration regarding each agreement will
523 proceed independently, with separate lists of arbitrators,

524 arbitration panels, arbitration proceedings, and resulting
 525 agreements.

526 5. With respect to the agreement required under paragraph
 527 (a) governing the payment of purses, the arbitration and
 528 resulting agreement called for under this paragraph shall be
 529 limited to the payment of purses from slot machine revenues
 530 only.

531 (d) If any provision of this subsection or its application
 532 to any person or circumstance is held invalid, the invalidity
 533 does not affect other provisions or applications of this
 534 subsection or chapter which can be given effect without the
 535 invalid provision or application, and to this end the provisions
 536 of this subsection are severable.

537 551.1045 Temporary licenses.--

538 (1)(a) If, after 180 days following the effective date of
 539 this act, the division has not adopted rules to implement the
 540 provisions of this chapter, the division shall issue a temporary
 541 slot machine license to an applicant if the applicant holds a
 542 valid pari-mutuel permit in good standing under chapter 550, the
 543 applicant's ownership interests have been previously approved as
 544 provided in chapter 550, and the applicant has conducted live
 545 racing or games during the calendar years 2002 and 2003. The
 546 slot machine license will permit the licensee to conduct slot
 547 machine gaming in the designated slot machine gaming areas of
 548 the eligible facility.

549 (b) The temporary license is valid until the division has
 550 adopted rules implementing the provisions of this chapter. Once
 551 the division has adopted rules implementing the provisions of

HB 1B

2005
CS

552 this chapter, it shall complete review of any filed application
 553 and shall issue a license under s. 551.104 if the licensee meets
 554 the requirements of this chapter and rules adopted by the
 555 division.

556 (2)(a) A manufacturer or distributor of slot machines who
 557 has applied for a license under s. 551.107 shall be issued a
 558 temporary business occupational license if it holds a valid
 559 license to manufacture or distribute slot machines in a state
 560 where gaming is lawful.

561 (b) The temporary license is valid until the division has
 562 adopted rules implementing the provisions of this chapter. Once
 563 the division has adopted rules implementing the provisions of
 564 this chapter, it shall complete review of any filed application
 565 and shall issue a license under s. 551.107 if the licensee meets
 566 the requirements of this chapter and rules adopted by the
 567 division.

568 (3) A temporary license issued under this section is
 569 nontransferable. Any temporary license issued under this section
 570 shall be valid during the pendency of any challenge to the
 571 rules.

572 551.105 Slot machine license renewal.--

573 (1) Slot machine licenses shall be effective for 1 year
 574 after issuance and shall be renewed annually. The application
 575 for renewal must contain all revisions to the information
 576 submitted in the prior year's application that are necessary to
 577 maintain such information as both accurate and current.

HB 1B

2005
CS

578 (2) The applicant for renewal shall attest that any
 579 information changes do not affect the applicant's qualifications
 580 for license renewal.

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

585 551.106 License fee; tax rate; penalties.--

586 (1) LICENSE FEE.--

587 (a) Upon submission of the initial application for a slot
 588 machine license and annually thereafter upon submission of an
 589 application for renewal of the slot machine license, the
 590 licensee must pay to the division a nonrefundable license fee of
 591 \$3 million. The license fee shall be deposited into the Pari-
 592 mutuel Wagering Trust Fund of the Department of Business and
 593 Professional Regulation to be used by the division and the
 594 Department of Law Enforcement for investigations, regulation of
 595 slot machine gaming, and enforcement of slot machine gaming
 596 provisions under this chapter. These payments shall be accounted
 597 for separately from taxes or fees paid pursuant to the
 598 provisions of chapter 550.

599 (b) Prior to January 1, 2007, the division shall evaluate
 600 the license fee and shall make recommendations to the President
 601 of the Senate and the Speaker of the House of Representatives
 602 regarding the optimum level of slot machine license fees in
 603 order to adequately support the slot machine regulatory program.

604 (2) TAX ON SLOT MACHINE REVENUES.--

HB 1B

2005
CS

605 (a) The tax rate on slot machine revenues at each facility
606 shall be 50 percent.

607 (b) The slot machine revenue tax imposed by this section
608 shall be paid to the division for deposit into the Pari-mutuel
609 Wagering Trust Fund for immediate transfer by the Chief
610 Financial Officer for deposit into the Educational Enhancement
611 Trust Fund of the Department of Education. Any interest earnings
612 on the tax revenues shall also be transferred to the Educational
613 Enhancement Trust Fund.

614 (c) Funds transferred to the Educational Enhancement Trust
615 Fund under paragraph (b) shall be used to supplement public
616 education funding statewide and shall not be used for recurring
617 appropriations.

618 (3) PAYMENT AND DISPOSITION OF TAXES.--Payment for the tax
619 on slot machines revenues imposed by this section shall be paid
620 to the division. The division shall deposit these sums with the
621 Chief Financial Officer, to the credit of the Pari-mutuel
622 Wagering Trust Fund. The slot machine licensee shall remit to
623 the division payment for the tax on slot machine revenues. Such
624 payments shall be remitted by 3 p.m. Wednesday of each week for
625 taxes imposed and collected for the preceding week ending on
626 Sunday. The slot machine licensee shall file a report under oath
627 by the 5th day of each calendar month for all taxes remitted
628 during the preceding calendar month. Such payments shall be
629 accompanied by a report under oath showing all slot machine
630 gaming activities for the preceding calendar month and such
631 other information as may be prescribed by the division.

632 (4) FAILURE TO PAY TAX; PENALTIES.--A slot machine
 633 licensee who fails to make tax payments as required under this
 634 section is subject to an administrative penalty of up to \$10,000
 635 for each day the tax payment is not remitted. All administrative
 636 penalties imposed and collected shall be deposited into the
 637 Pari-mutuel Wagering Trust Fund of the Department of Business
 638 and Professional Regulation. If any slot machine licensee fails
 639 to pay penalties imposed by order of the division under this
 640 subsection, the division may suspend, revoke, or refuse to renew
 641 the license of the slot machine licensee.

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

645 551.107 Slot machine occupational license; findings;
 646 application; fee.--

647 (1) The Legislature finds that individuals and entities
 648 that are licensed under this section require heightened state
 649 scrutiny, including the submission by the individual licensees
 650 or persons associated with the entities described in this
 651 chapter of fingerprints for a criminal history record check.

652 (2)(a) The following slot machine occupational licenses
 653 shall be issued to persons or entities that, by virtue of the
 654 position they hold, might be granted access to slot machine
 655 gaming areas or to any other person or entity in one of the
 656 following categories:

657 1. General occupational licenses for general employees,
 658 including food service, maintenance, and other similar service

659 and support employees having access to the slot machine gaming
660 area.

661 2. Professional occupational licenses for any person,
662 proprietorship, partnership, corporation, or other entity that
663 is authorized by a slot machine licensee to manage, oversee, or
664 otherwise control daily operations as a slot machine manager, a
665 floor supervisor, security personnel, or any other similar
666 position of oversight of gaming operations.

667 3. Business occupational licenses for any slot machine
668 management company or company associated with slot machine
669 gaming, any person who manufactures, distributes, or sells slot
670 machines, slot machine paraphernalia, or other associated
671 equipment to slot machine licensees, any company that sells or
672 provides goods or services associated with slot machine gaming
673 to slot machine licensees, or any person not an employee of the
674 slot machine licensee who provides maintenance, repair, or
675 upgrades or otherwise services a slot machine or other slot
676 machine equipment.

677 (b) Notwithstanding any provision of law to the contrary,
678 a pari-mutuel occupational licensee holding a currently valid
679 pari-mutuel occupational license is eligible to act as a slot
680 machine occupational licensee upon the effective date of this
681 act until such time as rules have been adopted and such pari-
682 mutuel occupational licensee has been provided a reasonable
683 opportunity to comply with the rules.

684 (c) Slot machine occupational licenses are not
685 transferable.

686 (3) A slot machine licensee may not employ or otherwise
 687 allow a person to work at a licensed facility unless such person
 688 holds the appropriate valid occupational license. A slot machine
 689 licensee may not contract or otherwise do business with a
 690 business required to hold a slot machine occupational license
 691 unless the business holds such a license. A slot machine
 692 licensee may not employ or otherwise allow a person to work in a
 693 supervisory or management professional level at a licensed
 694 facility unless such person holds a valid slot machine
 695 occupational license. All slot machine occupational licensees,
 696 while present in slot machine gaming areas, shall display on
 697 their persons their occupational license identification cards.

698 (4)(a) A person seeking a slot machine occupational
 699 license or renewal thereof shall make application on forms
 700 prescribed by the division and include payment of the
 701 appropriate application fee. Initial and renewal applications
 702 for slot machine occupational licenses must contain all
 703 information that the division, by rule, determines is required
 704 to ensure eligibility.

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

707 (c) Pursuant to rules adopted by the division, any person
 708 may apply for and, if qualified, be issued a slot machine
 709 occupational license valid for a period of 3 years upon payment
 710 of the full occupational license fee for each of the 3 years for
 711 which the license is issued. The slot machine occupational
 712 license is valid during its specified term at any licensed

713 facility where slot machine gaming is authorized to be
 714 conducted.

715 (d) The slot machine occupational license fee for initial
 716 application and annual renewal shall be determined by rule of
 717 the division but may not exceed \$50 for a general or
 718 professional occupational license for an employee of the slot
 719 machine licensee or \$1,000 for a business occupational license
 720 for nonemployees of the licensee providing goods or services to
 721 the slot machine licensee. License fees for general occupational
 722 licensees shall be paid by the slot machine licensee. Failure to
 723 pay the required fee constitutes grounds for disciplinary action
 724 by the division against the slot machine licensee, but it is not
 725 a violation of this chapter or rules of the division by the
 726 general occupational licensee and does not prohibit the initial
 727 issuance or the renewal of the general occupational license.

728 (5) The division may:

729 (a) Deny an application for, or revoke, suspend, or place
 730 conditions or restrictions on, a license of a person or entity
 731 that has been refused a license by any other state gaming
 732 commission, governmental department, agency, or other authority
 733 exercising regulatory jurisdiction over the gaming of another
 734 state or jurisdiction; or

735 (b) Deny an application for, or suspend or place
 736 conditions on, a license of any person or entity that is under
 737 suspension or has unpaid fines in another state or jurisdiction.

738 (6)(a) The division may deny, suspend, revoke, or refuse
 739 to renew any slot machine occupational license if the applicant
 740 for such license or the licensee has violated the provisions of

HB 1B

2005
CS

741 this chapter or the rules of the division governing the conduct
 742 of persons connected with slot machine gaming. In addition, the
 743 division may deny, suspend, revoke, or refuse to renew any slot
 744 machine occupational license if the applicant for such license
 745 or the licensee has been convicted in this state, in any other
 746 state, or under the laws of the United States of a capital
 747 felony, a felony, or an offense in any other state that would be
 748 a felony under the laws of this state involving arson;
 749 trafficking in, conspiracy to traffic in, smuggling, importing,
 750 conspiracy to smuggle or import, or delivery, sale, or
 751 distribution of a controlled substance; racketeering; or a crime
 752 involving a lack of good moral character, or has had a gaming
 753 license revoked by this state or any other jurisdiction for any
 754 gaming-related offense.

755 (b) The division may deny, revoke, or refuse to renew any
 756 slot machine occupational license if the applicant for such
 757 license or the licensee has been convicted of a felony or
 758 misdemeanor in this state, in any other state, or under the laws
 759 of the United States if such felony or misdemeanor is related to
 760 gambling or bookmaking as described in s. 849.25.

761 (c) For purposes of this subsection, the term "convicted"
 762 means having been found guilty, with or without adjudication of
 763 guilt, as a result of a jury verdict, nonjury trial, or entry of
 764 a plea of guilty or nolo contendere.

765 (7) Fingerprints for all slot machine occupational license
 766 applications shall be taken in a manner approved by the division
 767 and shall be submitted electronically to the Department of Law
 768 Enforcement for state processing and the Federal Bureau of

769 Investigation for national processing for a criminal history
 770 record check. All persons as specified in s. 550.1815(1)(a)
 771 employed by or working within a licensed premises shall submit
 772 fingerprints for a criminal history record check and may not
 773 have been convicted of any disqualifying criminal offenses
 774 specified in subsection (6). Division employees and law
 775 enforcement officers assigned by their employing agencies to
 776 work within the premises as part of their official duties are
 777 excluded from the criminal history record check requirements
 778 under this subsection. For purposes of this subsection, the term
 779 "convicted" means having been found guilty, with or without
 780 adjudication of guilt, as a result of a jury verdict, nonjury
 781 trial, or entry of a plea of guilty or nolo contendere.

782 (a) Fingerprints shall be taken in a manner approved by
 783 the division upon initial application, or as required thereafter
 784 by rule of the division, and shall be submitted electronically
 785 to the Department of Law Enforcement for state processing. The
 786 Department of Law Enforcement shall forward the fingerprints to
 787 the Federal Bureau of Investigation for national processing. The
 788 results of the criminal history record check shall be returned
 789 to the division for purposes of screening. Licensees shall
 790 provide necessary equipment approved by the Department of Law
 791 Enforcement to facilitate such electronic submission. The
 792 division requirements under this subsection shall be instituted
 793 in consultation with the Department of Law Enforcement.

794 (b) The cost of processing fingerprints and conducting a
 795 criminal history record check for a general occupational license
 796 shall be borne by the slot machine licensee. The cost of

HB 1B

2005
CS

797 processing fingerprints and conducting a criminal history record
 798 check for a business or professional occupational license shall
 799 be borne by the person being checked. The Department of Law
 800 Enforcement may invoice the division for the fingerprints
 801 submitted each month.

802 (c) All fingerprints submitted to the Department of Law
 803 Enforcement and required by this section shall be retained by
 804 the Department of Law Enforcement and entered into the statewide
 805 automated fingerprint identification system as authorized by s.
 806 943.05(2)(b) and shall be available for all purposes and uses
 807 authorized for arrest fingerprint cards entered into the
 808 statewide automated fingerprint identification system pursuant
 809 to s. 943.051.

810 (d) The Department of Law Enforcement shall search all
 811 arrest fingerprints received pursuant to s. 943.051 against the
 812 fingerprints retained in the statewide automated fingerprint
 813 identification system under paragraph (c). Any arrest record
 814 that is identified with the retained fingerprints of a person
 815 subject to the criminal history screening requirements of this
 816 section shall be reported to the division. Each licensed
 817 facility shall pay a fee to the division for the cost of
 818 retention of the fingerprints and the ongoing searches under
 819 this paragraph. The division shall forward the payment to the
 820 Department of Law Enforcement. The amount of the fee to be
 821 imposed for performing these searches and the procedures for the
 822 retention of licensee fingerprints shall be as established by
 823 rule of the Department of Law Enforcement. The division shall
 824 inform the Department of Law Enforcement of any change in the

HB 1B

2005
CS

825 license status of licensees whose fingerprints are retained
826 under paragraph (c).

827 (e) The division shall request the Department of Law
828 Enforcement to forward the fingerprints to the Federal Bureau of
829 Investigation for a national criminal history records check
830 every 3 years following issuance of a license. If the
831 fingerprints of a person who is licensed have not been retained
832 by the Department of Law Enforcement, the person must file a
833 complete set of fingerprints as provided for in paragraph (a).
834 The division shall collect the fees for the cost of the national
835 criminal history record check under this paragraph and shall
836 forward the payment to the Department of Law Enforcement. The
837 cost of processing fingerprints and conducting a criminal
838 history record check under this paragraph for a general
839 occupational license shall be borne by the slot machine
840 licensee. The cost of processing fingerprints and conducting a
841 criminal history record check under this paragraph for a
842 business or professional occupational license shall be borne by
843 the person being checked. The Department of Law Enforcement may
844 invoice the division for the fingerprints submitted each month.
845 Under penalty of perjury, each person who is licensed or who is
846 fingerprinted as required by this section must agree to inform
847 the division within 48 hours if he or she is convicted of or has
848 entered a plea of guilty or nolo contendere to any disqualifying
849 offense, regardless of adjudication.

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

852 551.108 Prohibited relationships.--

853 (1) A person employed by or performing any function on
 854 behalf of the division may not:

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

857 (b) Have or hold any interest, direct or indirect, in or
 858 engage in any commerce or business relationship with any person
 859 licensed by the division.

860 (2) A manufacturer or distributor of slot machines may not
 861 enter into any contract with a slot machine licensee that
 862 provides for any revenue sharing of any kind or nature that is
 863 directly or indirectly calculated on the basis of a percentage
 864 of slot machine revenues. Any maneuver, shift, or device whereby
 865 this subsection is violated is a violation of this chapter and
 866 renders any such agreement void.

867 (3) A manufacturer or distributor of slot machines or any
 868 equipment necessary for the operation of slot machines or an
 869 officer, director, or employee of any such manufacturer or
 870 distributor may not have any ownership or financial interest in
 871 a slot machine license or in any business owned by the slot
 872 machine licensee.

873 (4) An employee of the division or relative living in the
 874 same household as such employee of the division may not wager at
 875 any time on a slot machine located at a facility licensed by the
 876 division.

877 (5) An occupational licensee or relative living in the
 878 same household as such occupational licensee may not wager at
 879 any time on a slot machine located at a facility where that
 880 person is employed.

881 551.109 Prohibited acts; penalties.--

882 (1) Except as otherwise provided by law and in addition to
 883 any other penalty, any person who knowingly makes or causes to
 884 be made, or aids, assists, or procures another to make, a false
 885 statement in any report, disclosure, application, or any other
 886 document required under this chapter or any rule adopted under
 887 this chapter is subject to an administrative fine or civil
 888 penalty of up to \$10,000.

889 (2) Except as otherwise provided by law and in addition to
 890 any other penalty, any person who possesses a slot machine
 891 without the license required by this chapter or who possesses a
 892 slot machine at any location other than at the slot machine
 893 licensee's facility is subject to an administrative fine or
 894 civil penalty of up to \$10,000 per machine.

895 (3) Any person who knowingly excludes, or takes any action
 896 in an attempt to exclude, anything of value from the deposit,
 897 counting, collection, or computation of revenues from slot
 898 machine activity, or any person who by trick, sleight-of-hand
 899 performance, a fraud or fraudulent scheme, or device wins or
 900 attempts to win, for himself or herself or for another, money or
 901 property or a combination thereof or reduces or attempts to
 902 reduce a losing wager in connection with slot machine gaming
 903 commits a felony of the third degree, punishable as provided in
 904 s. 775.082, s. 775.083, or s. 775.084.

905 (4) Any person who manipulates or attempts to manipulate
 906 the outcome, payoff, or operation of a slot machine by physical
 907 tampering or by use of any object, instrument, or device,
 908 whether mechanical, electrical, magnetic, or involving other

909 means, commits a felony of the third degree, punishable as
 910 provided in s. 775.082, s. 775.083, or s. 775.084.

911 (5) Theft of any slot machine proceeds or of property
 912 belonging to the slot machine operator or licensed facility by
 913 an employee of the operator or facility or by an employee of a
 914 person, firm, or entity that has contracted to provide services
 915 to the operator or facility constitutes a felony of the third
 916 degree, punishable as provided in s. 775.082 or s. 775.083.

917 (6)(a) Any law enforcement officer or slot machine
 918 operator who has probable cause to believe that a violation of
 919 subsection (3), subsection (4), or subsection (5) has been
 920 committed by a person and that the officer or operator can
 921 recover the lost proceeds from such activity by taking the
 922 person into custody may, for the purpose of attempting to effect
 923 such recovery or for prosecution, take the person into custody
 924 on the premises and detain the person in a reasonable manner and
 925 for a reasonable period of time. If the operator takes the
 926 person into custody, a law enforcement officer shall be called
 927 to the scene immediately. The taking into custody and detention
 928 by a law enforcement officer or slot machine operator, if done
 929 in compliance with this subsection, does not render such law
 930 enforcement officer, or the officer's agency, or the slot
 931 machine operator criminally or civilly liable for false arrest,
 932 false imprisonment, or unlawful detention.

933 (b) Any law enforcement officer may arrest, either on or
 934 off the premises and without warrant, any person if there is
 935 probable cause to believe that person has violated subsection
 936 (3), subsection (4), or subsection (5).

HB 1B

2005
CS

937 (c) Any person who resists the reasonable effort of a law
 938 enforcement officer or slot machine operator to recover the lost
 939 slot machine proceeds that the law enforcement officer or slot
 940 machine operator had probable cause to believe had been stolen
 941 from the licensed facility and who is subsequently found to be
 942 guilty of violating subsection (3), subsection (4), or
 943 subsection (5) commits a misdemeanor of the first degree,
 944 punishable as provided in s. 775.082 or s. 775.083, unless such
 945 person did not know or did not have reason to know that the
 946 person seeking to recover the lost proceeds was a law
 947 enforcement officer or slot machine operator.

948 (7) All penalties imposed and collected under this section
 949 must be deposited into the Pari-mutuel Wagering Trust Fund of
 950 the Department of Business and Professional Regulation.

951 551.111 Legal devices.--Notwithstanding any provision of
 952 law to the contrary, a slot machine manufactured, sold,
 953 distributed, possessed, or operated according to the provisions
 954 of this chapter is not unlawful.

955 551.112 Exclusions of certain persons.--In addition to the
 956 power to exclude certain persons from any facility of a slot
 957 machine licensee in this state, the division may exclude any
 958 person from any facility of a slot machine licensee in this
 959 state for conduct that would constitute, if the person were a
 960 licensee, a violation of this chapter or the rules of the
 961 division. The division may exclude from any facility of a slot
 962 machine licensee any person who has been ejected from a facility
 963 of a slot machine licensee in this state or who has been
 964 excluded from any facility of a slot machine licensee or gaming

HB 1B

2005
CS

965 facility in another state by the governmental department,
 966 agency, commission, or authority exercising regulatory
 967 jurisdiction over the gaming in such other state. This section
 968 does not abrogate the common law right of a slot machine
 969 licensee to exclude a patron absolutely in this state.

970 551.113 Persons prohibited from playing slot machines.--

971 (1) A person who has not attained 21 years of age may not
 972 play or operate a slot machine or have access to the designated
 973 slot machine gaming area of a facility of a slot machine
 974 licensee.

975 (2) A slot machine licensee or agent or employee of a slot
 976 machine licensee may not knowingly allow a person who has not
 977 attained 21 years of age:

978 (a) To play or operate any slot machine.

979 (b) To be employed in any position allowing or requiring
 980 access to the designated slot machine gaming area of a facility
 981 of a slot machine licensee.

982 (c) To have access to the designated slot machine gaming
 983 area of a facility of a slot machine licensee.

984 (3) The licensed facility shall post clear and conspicuous
 985 signage within the designated slot machine gaming areas that
 986 states the following:

987
 988 THE PLAYING OF SLOT MACHINES BY PERSONS UNDER THE AGE OF
 989 21 IS AGAINST FLORIDA LAW (SECTION 551.113, FLORIDA
 990 STATUTES). PROOF OF AGE MAY BE REQUIRED AT ANY TIME.

991
 992 551.114 Slot machine gaming areas.--

HB 1B

2005
CS

993 (1) A slot machine licensee may make available for play up
 994 to 1,500 slot machines within the property of the facilities of
 995 the slot machine licensee.

996 (2) The slot machine licensee shall display pari-mutuel
 997 races or games within the designated slot machine gaming areas
 998 and offer patrons within the designated slot machine gaming
 999 areas the ability to engage in pari-mutuel wagering on live,
 1000 intertrack, and simulcast races conducted or offered to patrons
 1001 of the licensed facility.

1002 (3) The division shall require the posting of signs
 1003 warning of the risks and dangers of gambling, showing the odds
 1004 of winning, and informing patrons of the toll-free telephone
 1005 number available to provide information and referral services
 1006 regarding compulsive or problem gambling.

1007 (4) Designated slot machine gaming areas may be located
 1008 within the current live gaming facility or in an existing
 1009 building that must be contiguous and connected to the live
 1010 gaming facility. If a designated slot machine gaming area is to
 1011 be located in a building that is to be constructed, that new
 1012 building must be contiguous and connected to the live gaming
 1013 facility.

1014 (5) The permitholder shall provide adequate office space
 1015 at no cost to the division and the Department of Law Enforcement
 1016 for the oversight of slot machine operations. The division shall
 1017 adopt rules establishing the criteria for adequate space,
 1018 configuration, and location and needed electronic and
 1019 technological requirements for office space required by this
 1020 subsection.

HB 1B

2005
CS

1021 551.116 Days and hours of operation.--Slot machine gaming
 1022 areas may be open daily throughout the year. The slot machine
 1023 gaming areas may be open for a maximum of 16 hours per day.

1024 551.117 Penalties.--The division may revoke or suspend any
 1025 slot machine license issued under this chapter upon the willful
 1026 violation by the slot machine licensee of any provision of this
 1027 chapter or of any rule adopted under this chapter. In lieu of
 1028 suspending or revoking a slot machine license, the division may
 1029 impose a civil penalty against the slot machine licensee for a
 1030 violation of this chapter or any rule adopted by the division.
 1031 Except as otherwise provided in this chapter, the penalty so
 1032 imposed may not exceed \$100,000 for each count or separate
 1033 offense. All penalties imposed and collected must be deposited
 1034 into the Pari-mutuel Wagering Trust Fund of the Department of
 1035 Business and Professional Regulation.

1036 551.118 Compulsive or addictive gambling prevention
 1037 program.--

1038 (1) The slot machine licensee shall offer training to
 1039 employees on responsible gaming and shall work with a compulsive
 1040 or addictive gambling prevention program to recognize problem
 1041 gaming situations and to implement responsible gaming programs
 1042 and practices.

1043 (2) The division shall, subject to competitive bidding,
 1044 contract for provision of services related to the prevention of
 1045 compulsive and addictive gambling. The contract shall provide
 1046 for an advertising program to encourage responsible gaming
 1047 practices and to publicize a gambling telephone help line. Such
 1048 advertisements must be made both publicly and inside the

1049 designated slot machine gaming areas of the licensee's
 1050 facilities. The terms of any contract for the provision of such
 1051 services shall include accountability standards that must be met
 1052 by any private provider. The failure of any private provider to
 1053 meet any material terms of the contract, including the
 1054 accountability standards, shall constitute a breach of contract
 1055 or grounds for nonrenewal. The division may consult with the
 1056 Department of the Lottery in the development of the program and
 1057 the development and analysis of any procurement for contractual
 1058 services for the compulsive or addictive gambling prevention
 1059 program.

1060 (3) The compulsive or addictive gambling prevention
 1061 program shall be funded from an annual nonrefundable regulatory
 1062 fee of \$250,000 paid by the licensee to the division.

1063 551.119 Caterer's license.--A slot machine licensee is
 1064 entitled to a caterer's license pursuant to s. 565.02 on days on
 1065 which the pari-mutuel facility is open to the public for slot
 1066 machine game play as authorized by this chapter.

1067 551.121 Prohibited activities and devices.--

1068 (1) Complimentary or reduced-cost alcoholic beverages may
 1069 not be served to persons playing a slot machine. Alcoholic
 1070 beverages served to persons playing a slot machine shall cost at
 1071 least the same amount as alcoholic beverages served to the
 1072 general public at a bar within the facility.

1073 (2) A slot machine licensee may not make any loan, provide
 1074 credit, or advance cash in order to enable a person to play a
 1075 slot machine. This subsection shall not prohibit automated
 1076 ticket redemption machines that dispense cash resulting from the

HB 1B

2005
CS

1077 redemption of tickets from being located in the designated slot
 1078 machine gaming area of the slot machine licensee.

1079 (3) A slot machine licensee may not allow any automated
 1080 teller machine or similar device designed to provide credit or
 1081 dispense cash to be located within the facilities of the slot
 1082 machine licensee.

1083 (4) A slot machine licensee may not accept or cash any
 1084 personal, third-party, corporate, business, or government-issued
 1085 check from any person.

1086 (5) A slot machine, or the computer operating system
 1087 linking the slot machine, may not be linked by any means to any
 1088 other slot machine or computer operating system of another slot
 1089 machine licensee. A progressive system may not be used in
 1090 conjunction with slot machines within or between licensed
 1091 facilities.

1092 (6) A slot machine located within a licensed facility
 1093 shall accept only tickets or paper currency or an electronic
 1094 payment system for wagering and return or deliver payouts to the
 1095 player in the form of tickets that may be exchanged for cash,
 1096 merchandise, or other items of value. The use of coins, credit
 1097 or debit cards, tokens, or similar objects is specifically
 1098 prohibited. However, an electronic credit system may be used for
 1099 receiving wagers and making payouts.

1100 551.122 Rulemaking.--The division may adopt rules pursuant
 1101 to ss. 120.536(1) and 120.54 to administer the provisions of
 1102 this chapter.

1103 Section 2. Section 849.15, Florida Statutes, is amended to
 1104 read:

HB 1B

2005
CS

1105 849.15 Manufacture, sale, possession, etc., of coin-
1106 operated devices prohibited.--

1107 (1) It is unlawful:

1108 (a)~~(1)~~ To manufacture, own, store, keep, possess, sell,
1109 rent, lease, let on shares, lend or give away, transport, or
1110 expose for sale or lease, or to offer to sell, rent, lease, let
1111 on shares, lend or give away, or permit the operation of, or for
1112 any person to permit to be placed, maintained, or used or kept
1113 in any room, space, or building owned, leased or occupied by the
1114 person or under the person's management or control, any slot
1115 machine or device or any part thereof; or

1116 (b)~~(2)~~ To make or to permit to be made with any person any
1117 agreement with reference to any slot machine or device, pursuant
1118 to which the user thereof, as a result of any element of chance
1119 or other outcome unpredictable to him or her, may become
1120 entitled to receive any money, credit, allowance, or thing of
1121 value or additional chance or right to use such machine or
1122 device, or to receive any check, slug, token or memorandum
1123 entitling the holder to receive any money, credit, allowance or
1124 thing of value.

1125 (2) Pursuant to section 2 of that chapter of the Congress
1126 of the United States entitled "An act to prohibit transportation
1127 of gaming devices in interstate and foreign commerce," approved
1128 January 2, 1951, being c. 1194, 64 Stat. 1134, and also
1129 designated as 15 U.S.C. ss. 1171-1177, the State of Florida,
1130 acting by and through the duly elected and qualified members of
1131 its Legislature, does hereby in this section, and in accordance
1132 with and in compliance with the provisions of section 2 of such

HB 1B

2005
CS

1133 chapter of Congress, declare and proclaim that any county of the
 1134 State of Florida within which slot machine gaming is authorized
 1135 pursuant to chapter 551 is exempt from the provisions of section
 1136 2 of that chapter of the Congress of the United States entitled
 1137 "An act to prohibit transportation of gaming devices in
 1138 interstate and foreign commerce," designated as 15 U.S.C. ss.
 1139 1171-1177, approved January 2, 1951. All shipments of gaming
 1140 devices, including slot machines, into any county of this state
 1141 within which slot machine gaming is authorized pursuant to
 1142 chapter 551 and the registering, recording, and labeling of
 1143 which have been duly performed by the manufacturer or
 1144 distributor thereof in accordance with sections 3 and 4 of that
 1145 chapter of the Congress of the United States entitled "An act to
 1146 prohibit transportation of gaming devices in interstate and
 1147 foreign commerce," approved January 2, 1951, being c. 1194, 64
 1148 Stat. 1134, and also designated as 15 U.S.C. ss. 1171-1177,
 1149 shall be deemed legal shipments thereof into any such county
 1150 provided the destination of such shipments is an eligible
 1151 facility as defined s. 551.102.

1152 Section 3. Subsections (1) and (2) of section 895.02,
 1153 Florida Statutes, are amended to read:

1154 895.02 Definitions.--As used in ss. 895.01-895.08, the
 1155 term:

1156 (1) "Racketeering activity" means to commit, to attempt to
 1157 commit, to conspire to commit, or to solicit, coerce, or
 1158 intimidate another person to commit:

HB 1B

2005
CS

- 1159 (a) Any crime which is chargeable by indictment or
 1160 information under the following provisions of the Florida
 1161 Statutes:
- 1162 1. Section 210.18, relating to evasion of payment of
 1163 cigarette taxes.
 - 1164 2. Section 403.727(3)(b), relating to environmental
 1165 control.
 - 1166 3. Section 409.920 or s. 409.9201, relating to Medicaid
 1167 fraud.
 - 1168 4. Section 414.39, relating to public assistance fraud.
 - 1169 5. Section 440.105 or s. 440.106, relating to workers'
 1170 compensation.
 - 1171 6. Section 443.071(4), relating to creation of a
 1172 fictitious employer scheme to commit unemployment compensation
 1173 fraud.
 - 1174 7. Section 465.0161, relating to distribution of medicinal
 1175 drugs without a permit as an Internet pharmacy.
 - 1176 8. Sections 499.0051, 499.0052, 499.00535, 499.00545, and
 1177 499.0691, relating to crimes involving contraband and
 1178 adulterated drugs.
 - 1179 9. Part IV of chapter 501, relating to telemarketing.
 - 1180 10. Chapter 517, relating to sale of securities and
 1181 investor protection.
 - 1182 11. Section 550.235, s. 550.3551, or s. 550.3605, relating
 1183 to dogracing and horseracing.
 - 1184 12. Chapter 550, relating to jai alai frontons.
 - 1185 13. Section 551.109, relating to slot machine gaming.

1186 ~~14.13.~~ Chapter 552, relating to the manufacture,
 1187 distribution, and use of explosives.
 1188 ~~15.14.~~ Chapter 560, relating to money transmitters, if the
 1189 violation is punishable as a felony.
 1190 ~~16.15.~~ Chapter 562, relating to beverage law enforcement.
 1191 ~~17.16.~~ Section 624.401, relating to transacting insurance
 1192 without a certificate of authority, s. 624.437(4)(c)1., relating
 1193 to operating an unauthorized multiple-employer welfare
 1194 arrangement, or s. 626.902(1)(b), relating to representing or
 1195 aiding an unauthorized insurer.
 1196 ~~18.17.~~ Section 655.50, relating to reports of currency
 1197 transactions, when such violation is punishable as a felony.
 1198 ~~19.18.~~ Chapter 687, relating to interest and usurious
 1199 practices.
 1200 ~~20.19.~~ Section 721.08, s. 721.09, or s. 721.13, relating
 1201 to real estate timeshare plans.
 1202 ~~21.20.~~ Chapter 782, relating to homicide.
 1203 ~~22.21.~~ Chapter 784, relating to assault and battery.
 1204 ~~23.22.~~ Chapter 787, relating to kidnapping.
 1205 ~~24.23.~~ Chapter 790, relating to weapons and firearms.
 1206 ~~25.24.~~ Section 796.03, s. 796.035, s. 796.04, s. 796.045,
 1207 s. 796.05, or s. 796.07, relating to prostitution and sex
 1208 trafficking.
 1209 ~~26.25.~~ Chapter 806, relating to arson.
 1210 ~~27.26.~~ Section 810.02(2)(c), relating to specified
 1211 burglary of a dwelling or structure.
 1212 ~~28.27.~~ Chapter 812, relating to theft, robbery, and
 1213 related crimes.

HB 1B

2005
CS

1214 | ~~29.28.~~ Chapter 815, relating to computer-related crimes.
 1215 | ~~30.29.~~ Chapter 817, relating to fraudulent practices,
 1216 | false pretenses, fraud generally, and credit card crimes.
 1217 | ~~31.30.~~ Chapter 825, relating to abuse, neglect, or
 1218 | exploitation of an elderly person or disabled adult.
 1219 | ~~32.31.~~ Section 827.071, relating to commercial sexual
 1220 | exploitation of children.
 1221 | ~~33.32.~~ Chapter 831, relating to forgery and
 1222 | counterfeiting.
 1223 | ~~34.33.~~ Chapter 832, relating to issuance of worthless
 1224 | checks and drafts.
 1225 | ~~35.34.~~ Section 836.05, relating to extortion.
 1226 | ~~36.35.~~ Chapter 837, relating to perjury.
 1227 | ~~37.36.~~ Chapter 838, relating to bribery and misuse of
 1228 | public office.
 1229 | ~~38.37.~~ Chapter 843, relating to obstruction of justice.
 1230 | ~~39.38.~~ Section 847.011, s. 847.012, s. 847.013, s. 847.06,
 1231 | or s. 847.07, relating to obscene literature and profanity.
 1232 | ~~40.39.~~ Section 849.09, s. 849.14, s. 849.15, s. 849.23, or
 1233 | s. 849.25, relating to gambling.
 1234 | ~~41.40.~~ Chapter 874, relating to criminal street gangs.
 1235 | ~~42.41.~~ Chapter 893, relating to drug abuse prevention and
 1236 | control.
 1237 | ~~43.42.~~ Chapter 896, relating to offenses related to
 1238 | financial transactions.
 1239 | ~~44.43.~~ Sections 914.22 and 914.23, relating to tampering
 1240 | with a witness, victim, or informant, and retaliation against a
 1241 | witness, victim, or informant.

HB 1B

2005
CS

1242 ~~45.44.~~ Sections 918.12 and 918.13, relating to tampering
1243 with jurors and evidence.

1244 (b) Any conduct defined as "racketeering activity" under
1245 18 U.S.C. s. 1961(1).

1246 (2) "Unlawful debt" means any money or other thing of
1247 value constituting principal or interest of a debt that is
1248 legally unenforceable in this state in whole or in part because
1249 the debt was incurred or contracted:

1250 (a) In violation of any one of the following provisions of
1251 law:

1252 1. Section 550.235, s. 550.3551, or s. 550.3605, relating
1253 to dogracing and horseracing.

1254 2. Chapter 550, relating to jai alai frontons.

1255 3. Section 551.109, relating to slot machine gaming.

1256 ~~4.3.~~ Chapter 687, relating to interest and usury.

1257 ~~5.4.~~ Section 849.09, s. 849.14, s. 849.15, s. 849.23, or
1258 s. 849.25, relating to gambling.

1259 (b) In gambling activity in violation of federal law or in
1260 the business of lending money at a rate usurious under state or
1261 federal law.

1262 Section 4. The Legislature finds and declares that it has
1263 exclusive authority over the conduct of all wagering occurring
1264 at a slot machine facility in this state. As provided by law,
1265 only the Division of Pari-mutuel Wagering and other authorized
1266 state agencies shall administer chapter 551, Florida Statutes,
1267 and regulate the slot machine gaming industry, including
1268 operation of slot machine facilities, games, slot machines, and

HB 1B

2005
CS

1269 facilities-based computer systems authorized in chapter 551,
 1270 Florida Statutes, and the rules adopted by the division.

1271 Section 5. (1) For fiscal year 2005-2006, 46 full-time
 1272 equivalent positions, with associated salary rate of 1,810,342,
 1273 are authorized and the sums of \$682,582 in recurring funds and
 1274 \$1,164,135 in nonrecurring funds from the Pari-mutuel Wagering
 1275 Trust Fund of the Department of Business and Professional
 1276 Regulation and \$139,474 in recurring funds and \$809,863 in
 1277 nonrecurring funds from the Administrative Trust Fund of the
 1278 Department of Business and Professional Regulation are hereby
 1279 appropriated for the purpose of carrying out all regulatory
 1280 activities provided in this act. The Executive Office of the
 1281 Governor shall place these funds and positions and the salary
 1282 rate in reserve until such time as the Department of Business
 1283 and Professional Regulation submits an expenditure plan for
 1284 approval to the Executive Office of the Governor and the chair
 1285 and vice chair of the Legislative Budget Commission in
 1286 accordance with the provisions of s. 216.177, Florida Statutes.

1287 (2) For fiscal year 2005-2006, the sums of \$1,024,998 in
 1288 recurring funds and \$1,184,564 in nonrecurring funds are hereby
 1289 appropriated from the Pari-mutuel Wagering Trust Fund of the
 1290 Department of Business and Professional Regulation for transfer
 1291 to the Department of Law Enforcement for the purpose of
 1292 investigations, intelligence gathering, background
 1293 investigations, and any other responsibilities as provided for
 1294 in this act. Thirty-nine full-time equivalent positions, with an
 1295 associated salary rate of 1,682,034, are authorized and the sums
 1296 of \$1,024,998 in recurring funds and \$1,184,564 in nonrecurring

HB 1B

2005
CS

1297 funds are hereby appropriated from the Operating Trust Fund
 1298 within the Department of Law Enforcement for the purpose of
 1299 investigations, intelligence gathering, background
 1300 investigations, and any other responsibilities as provided for
 1301 in this act. The Executive Office of the Governor shall place
 1302 these funds and positions and the salary rate in reserve until
 1303 such time as the Department of Law Enforcement submits an
 1304 expenditure plan for approval to the Executive Office of the
 1305 Governor and the chair and vice chair of the Legislative Budget
 1306 Commission in accordance with the provisions of s. 216.177,
 1307 Florida Statutes.

1308 (3) The sum of \$1,000,000 in recurring funds is
 1309 appropriated for fiscal year 2005-2006 from the Pari-mutuel
 1310 Wagering Trust Fund of the Department of Business and
 1311 Professional Regulation from revenues received pursuant to s.
 1312 551.118, Florida Statutes, for contract services related to the
 1313 prevention of compulsive and addictive gambling.

1314 Section 6. Paragraph (v) is added to subsection (1) of
 1315 section 215.22, Florida Statutes, to read:

1316 215.22 Certain income and certain trust funds exempt.--

1317 (1) The following income of a revenue nature or the
 1318 following trust funds shall be exempt from the appropriation
 1319 required by s. 215.20(1):

1320 (v) Taxes imposed on slot machine revenues pursuant to s.
 1321 551.106(2).

1322 Section 7. The Department of Business and Professional
 1323 Regulation may expend the unreserved cash balance in the Pari-
 1324 mutuel Wagering Trust Fund received from non-slot revenue

HB 1B

2005
CS

1325 sources to implement slot machine regulation and investigations
 1326 during fiscal year 2005-2006. Beginning as soon as practical,
 1327 but no later than fiscal year 2006-2007, the department shall
 1328 initiate repayment of such funds with slot machine license
 1329 revenue sources until the full amount is reimbursed. The
 1330 department shall submit a repayment plan for approval to the
 1331 Executive Office of the Governor and the chair and vice chair of
 1332 the Legislative Budget Commission in accordance with the
 1333 provisions of s. 216.177, Florida Statutes. The repaid funds
 1334 shall be subject to the requirements of s. 550.135(2), Florida
 1335 Statutes.

1336 Section 8. This act shall take effect upon becoming a law.