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2005 Legislature

1 A bill to be entitled
2 An act relating to slot machine gaming; creating ch. 551,
3 F.S.; implementing s. 23, Art. X of the State
4 Constitution; authorizing slot machines and slot machine
5 gaming within certain pari-mutuel facilities located in
6 Miami-Dade and Broward Counties upon approval by a local
7 referendum; providing definitions; providing powers and
8 duties of the Division of Pari-mutuel Wagering of the
9 Department of Business and Professional Regulation, the
10 Department of Law Enforcement, and local law enforcement
11 agencies; providing for licensure to conduct slot machine
12 gaming; providing for temporary licensure; providing
13 licensing conditions on holders of thoroughbred pari-
14 mutuel wagering permits; providing for slot machine
15 licensure renewal; providing for a license fee and tax
16 rate; providing for payment procedures; providing
17 penalties; providing for slot machine occupational
18 licenses and application fees; providing penalties;
19 prohibiting certain relationships; prohibiting certain
20 acts and providing penalties; providing an exception to
21 prohibitions relating to slot machines; providing for the
22 exclusion of certain persons from facilities; prohibiting
23 persons under 21 years of age from slot machine gaming
24 areas or playing slot machines; providing requirements for
25 slot machine gaming areas; providing for days and hours of
26 operation; providing penalties; providing a compulsive or
27 addictive gambling prevention program; providing for
28 funding; providing for a caterer's license; specifying

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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29 prohibited activities and devices; prohibiting automated
 30 teller machines on the property of a slot machine
 31 licensee; providing for rulemaking; amending s. 849.15,
 32 F.S.; providing for transportation of certain gaming
 33 devices in accordance with federal law; amending s.
 34 895.02, F.S.; providing that specified violations related
 35 to slot machine gaming constitute racketeering activity;
 36 providing that certain debt incurred in violation of
 37 specified provisions relating to slot machine gaming
 38 constitutes unlawful debt; providing for preemption;
 39 authorizing additional positions and providing
 40 appropriations; providing for use of funds; amending s.
 41 215.22, F.S.; exempting taxes imposed on slot machine
 42 revenues from specified service charges; providing for use
 43 of certain unreserved funds in the Pari-mutuel Wagering
 44 Trust Fund; providing for repayment of such funds;
 45 providing an effective date.

46
 47 Be It Enacted by the Legislature of the State of Florida:

48
 49 Section 1. Chapter 551, Florida Statutes, consisting of
 50 sections 551.101, 551.102, 551.103, 551.104, 551.1045, 551.105,
 51 551.106, 551.107, 551.108, 551.109, 551.111, 551.112, 551.113,
 52 551.114, 551.116, 551.117, 551.118, 551.119, 551.121, and
 53 551.122, is created to read:

54 CHAPTER 551
 55 SLOT MACHINES

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56 551.101 Slot machine gaming authorized.--Any licensed
57 pari-mutuel facility located in Miami-Dade County or Broward
58 County existing at the time of adoption of s. 23, Art. X of the
59 State Constitution that has conducted live racing or games
60 during calendar years 2002 and 2003 may possess slot machines
61 and conduct slot machine gaming at the location where the pari-
62 mutuel permitholder is authorized to conduct pari-mutuel
63 wagering activities pursuant to such permitholder's valid pari-
64 mutuel permit provided that a majority of voters in a countywide
65 referendum have approved slot machines at such facility in the
66 respective county. Notwithstanding any other provision of law,
67 it is not a crime for a person to participate in slot machine
68 gaming at a pari-mutuel facility licensed to possess and conduct
69 slot machine gaming or to participate in slot machine gaming
70 described in this chapter.

71 551.102 Definitions.--As used in this chapter, the term:

72 (1) "Distributor" means any person who sells, leases, or
73 offers or otherwise provides, distributes, or services any slot
74 machine or associated equipment for use or play of slot machines
75 in this state. A manufacturer may be a distributor within the
76 state.

77 (2) "Designated slot machine gaming area" means the area
78 or areas of a facility of a slot machine licensee in which slot
79 machine gaming may be conducted in accordance with the
80 provisions of this chapter.

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

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

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

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

100 (7) "Slot machine" means any mechanical or electrical
 101 contrivance, terminal that may or may not be capable of
 102 downloading slot games from a central server system, machine, or
 103 other device that, upon insertion of a coin, bill, ticket,
 104 token, or similar object or upon payment of any consideration
 105 whatsoever, including the use of any electronic payment system
 106 except a credit card or debit card, is available to play or
 107 operate, the play or operation of which, whether by reason of
 108 skill or application of the element of chance or both, may
 109 deliver or entitle the person or persons playing or operating
 110 the contrivance, terminal, machine, or other device to receive

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111 cash, billets, tickets, tokens, or electronic credits to be
112 exchanged for cash or to receive merchandise or anything of
113 value whatsoever, whether the payoff is made automatically from
114 the machine or manually. The term includes associated equipment
115 necessary to conduct the operation of the contrivance, terminal,
116 machine, or other device. Slot machines may use spinning reels,
117 video displays, or both. A slot machine is not a "coin-operated
118 amusement machine" as defined in s. 212.02(24) or an amusement
119 game or machine as described in s. 849.161, and slot machines
120 are not subject to the tax imposed by s. 212.05(1)(h).

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

124 (9) "Slot machine license" means a license issued by the
125 division authorizing a pari-mutuel permitholder to place and
126 operate slot machines as provided by s. 23, Art. X of the State
127 Constitution, the provisions of this chapter, and division
128 rules.

129 (10) "Slot machine licensee" means a pari-mutuel
130 permitholder who holds a license issued by the division pursuant
131 to this chapter that authorizes such person to possess a slot
132 machine within facilities specified in s. 23, Art. X of the
133 State Constitution and allows slot machine gaming.

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

137 (12) "Slot machine revenues" means the total of all cash
138 and property received by the slot machine licensee from the

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139 operation of slot machines less the amount of cash, cash
 140 equivalents, credits, and prizes paid to winners of slot machine
 141 gaming.

142 551.103 Powers and duties of the division and law
 143 enforcement.--

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

148 (a) Procedures for applying for a slot machine license and
 149 renewal of a slot machine license.

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

153 (c) Procedures to scientifically test and technically
 154 evaluate slot machines for compliance with this chapter. The
 155 division may contract with an independent testing laboratory to
 156 conduct any necessary testing under this section. The
 157 independent testing laboratory must have a national reputation
 158 which is demonstrably competent and qualified to scientifically
 159 test and evaluate slot machines for compliance with this chapter
 160 and to otherwise perform the functions assigned to it in this
 161 chapter. An independent testing laboratory shall not be owned or
 162 controlled by a licensee. The use of an independent testing
 163 laboratory for any purpose related to the conduct of slot
 164 machine gaming by a licensee under this chapter shall be made
 165 from a list of one or more laboratories approved by the
 166 division.

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

170 (e) Procedures for regulating, managing, and auditing the
171 operation, financial data, and program information relating to
172 slot machine gaming that allow the division and the Department
173 of Law Enforcement to audit the operation, financial data, and
174 program information of a slot machine licensee, as required by
175 the division or the Department of Law Enforcement, and provide
176 the division and the Department of Law Enforcement with the
177 ability to monitor, at any time on a real-time basis, wagering
178 patterns, payouts, tax collection, and compliance with any rules
179 adopted by the division for the regulation and control of slot
180 machines operated under this chapter. Such continuous and
181 complete access, at any time on a real-time basis, shall include
182 the ability of either the division or the Department of Law
183 Enforcement to suspend play immediately on particular slot
184 machines if monitoring of the facilities-based computer system
185 indicates possible tampering or manipulation of those slot
186 machines or the ability to suspend play immediately of the
187 entire operation if the tampering or manipulation is of the
188 computer system itself. The division shall notify the Department
189 of Law Enforcement or the Department of Law Enforcement shall
190 notify the division, as appropriate, whenever there is a
191 suspension of play under this paragraph. The division and the
192 Department of Law Enforcement shall exchange such information
193 necessary for and cooperate in the investigation of the
194 circumstances requiring suspension of play under this paragraph.

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

213 (g) Procedures for requiring licensees to maintain
214 specified records and submit any data, information, record, or
215 report, including financial and income records, required by this
216 chapter or determined by the division to be necessary to the
217 proper implementation and enforcement of this chapter.

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

220 (i) Minimum standards for security of the facilities,
221 including floor plans, security cameras, and other security
222 equipment.

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223 (2) The division shall conduct such investigations
 224 necessary to fulfill its responsibilities under the provisions
 225 of this chapter.

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

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

240 1. Inspect and examine premises where slot machines are
 241 offered for play.

242 2. Inspect slot machines and related equipment and
 243 supplies.

244 (b) In addition, the division may:

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

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

249 (5) The division shall revoke or suspend the license of
 250 any person who is no longer qualified or who is found, after

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251 receiving a license, to have been unqualified at the time of
 252 application for the license.

253 (6) This section does not:

254 (a) Prohibit the Department of Law Enforcement or any law
 255 enforcement authority whose jurisdiction includes a licensed
 256 facility from conducting investigations of criminal activities
 257 occurring at the facility of the slot machine licensee;

258 (b) Restrict access to the slot machine licensee's
 259 facility by the Department of Law Enforcement or any local law
 260 enforcement authority whose jurisdiction includes the slot
 261 machine licensee's facility; or

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

266 551.104 License to conduct slot machine gaming.--

267 (1) Upon application and a finding by the division after
 268 investigation that the application is complete and the applicant
 269 is qualified and payment of the initial license fee, the
 270 division may issue a license to conduct slot machine gaming in
 271 the designated slot machine gaming area of the eligible
 272 facility. Once licensed, slot machine gaming may be conducted
 273 subject to the requirements of this chapter and rules adopted
 274 pursuant thereto.

275 (2) An application may be approved by the division only
 276 after the voters of the county where the applicant's facility is
 277 located have authorized by referendum slot machines within pari-

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278 mutuel facilities in that county as specified in s. 23, Art. X
 279 of the State Constitution.

280 (3) A slot machine license may be issued only to a
 281 licensed pari-mutuel permitholder, and slot machine gaming may
 282 be conducted only at the eligible facility at which the
 283 permitholder is authorized under its valid pari-mutuel wagering
 284 permit to conduct pari-mutuel wagering activities.

285 (4) As a condition of licensure and to maintain continued
 286 authority for the conduct of slot machine gaming, the slot
 287 machine licensee shall:

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

289 (b) Continue to be in compliance with chapter 550, where
 290 applicable, and maintain the pari-mutuel permit and license in
 291 good standing pursuant to the provisions of chapter 550.

292 Notwithstanding any contrary provision of law and in order to
 293 expedite the operation of slot machines at eligible facilities,
 294 any eligible facility shall be entitled within 60 days after the
 295 effective date of this act to amend its 2006-2007 pari-mutuel
 296 wagering operating license issued by the division under ss.
 297 550.0115 and 550.01215. The division shall issue a new license
 298 to the eligible facility to effectuate any approved change.

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

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306 (d) Upon approval of any changes relating to the pari-
 307 mutuel permit by the division, be responsible for providing
 308 appropriate current and accurate documentation on a timely basis
 309 to the division in order to continue the slot machine license in
 310 good standing. Changes in ownership or interest of a slot
 311 machine license of 5 percent or more of the stock or other
 312 evidence of ownership or equity in the slot machine license or
 313 any parent corporation or other business entity that in any way
 314 owns or controls the slot machine license shall be approved by
 315 the division prior to such change, unless the owner is an
 316 existing holder of that license who was previously approved by
 317 the division. Changes in ownership or interest of a slot machine
 318 license of less than 5 percent, unless such change results in a
 319 cumulative total of 5 percent or more, shall be reported to the
 320 division within 20 days after the change. The division may then
 321 conduct an investigation to ensure that the license is properly
 322 updated to show the change in ownership or interest. No
 323 reporting is required if the person is holding 5 percent or less
 324 equity or securities of a corporate owner of the slot machine
 325 licensee that has its securities registered pursuant to s. 12 of
 326 the Securities Exchange Act of 1934, 15 U.S.C. ss. 78a-78kk, and
 327 if such corporation or entity files with the United States
 328 Securities and Exchange Commission the reports required by s. 13
 329 of that act or if the securities of the corporation or entity
 330 are regularly traded on an established securities market in the
 331 United States. A change in ownership or interest of less than 5
 332 percent which results in a cumulative ownership or interest of 5
 333 percent or more shall be approved by the division prior to such

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334 change unless the owner is an existing holder of the license who
 335 was previously approved by the division.

336 (e) Allow the division and the Department of Law
 337 Enforcement unrestricted access to and right of inspection of
 338 facilities of a slot machine licensee in which any activity
 339 relative to the conduct of slot machine gaming is conducted.

340 (f) Ensure that the facilities-based computer system that
 341 the licensee will use for operational and accounting functions
 342 of the slot machine facility is specifically structured to
 343 facilitate regulatory oversight. The facilities-based computer
 344 system shall be designed to provide the division and the
 345 Department of Law Enforcement with the ability to monitor, at
 346 any time on a real-time basis, the wagering patterns, payouts,
 347 tax collection, and such other operations as necessary to
 348 determine whether the facility is in compliance with statutory
 349 provisions and rules adopted by the division for the regulation
 350 and control of slot machine gaming. The division and the
 351 Department of Law Enforcement shall have complete and continuous
 352 access to this system. Such access shall include the ability of
 353 either the division or the Department of Law Enforcement to
 354 suspend play immediately on particular slot machines if
 355 monitoring of the system indicates possible tampering or
 356 manipulation of those slot machines or the ability to suspend
 357 play immediately of the entire operation if the tampering or
 358 manipulation is of the computer system itself. The computer
 359 system shall be reviewed and approved by the division to ensure
 360 necessary access, security, and functionality. The division may
 361 adopt rules to provide for the approval process.

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

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

384 (i) Create and file with the division a written policy
385 for:

386 1. Creating opportunities to purchase from vendors in this
387 state, including minority vendors.

388 2. Creating opportunities for employment of residents of
389 this state, including minority residents.

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390 3. Ensuring opportunities for construction services from
 391 minority contractors.

392 4. Ensuring that opportunities for employment are offered
 393 on an equal, nondiscriminatory basis.

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

397
 398 The slot machine licensee shall use the Internet-based job-
 399 listing system of the Agency for Workforce Innovation in
 400 advertising employment opportunities. Beginning in June 2007,
 401 each slot machine licensee shall provide an annual report to the
 402 division containing information indicating compliance with this
 403 paragraph in regard to minority persons.

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

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

407 (6) A slot machine licensee shall keep and maintain
 408 permanent daily records of its slot machine operation and shall
 409 maintain such records for a period of not less than 5 years.
 410 These records must include all financial transactions and
 411 contain sufficient detail to determine compliance with the
 412 requirements of this chapter. All records shall be available for
 413 audit and inspection by the division, the Department of Law
 414 Enforcement, or other law enforcement agencies during the
 415 licensee's regular business hours.

416 (7) A slot machine licensee shall file with the division a
 417 monthly report containing the required records of such slot

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418 machine operation. The required reports shall be submitted on
 419 forms prescribed by the division and shall be due at the same
 420 time as the monthly pari-mutuel reports are due to the division,
 421 and the reports shall be deemed public records once filed.

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

431 (9) The division may share any information with the
 432 Department of Law Enforcement, any other law enforcement agency
 433 having jurisdiction over slot machine gaming or pari-mutuel
 434 activities, or any other state or federal law enforcement agency
 435 the division or the Department of Law Enforcement deems
 436 appropriate. Any law enforcement agency having jurisdiction over
 437 slot machine gaming or pari-mutuel activities may share any
 438 information obtained or developed by it with the division.

439 (10) (a) No slot machine license or renewal thereof shall
 440 be issued to an applicant holding a permit under chapter 550 to
 441 conduct pari-mutuel wagering meets of thoroughbred racing unless
 442 the applicant has on file with the division a binding written
 443 agreement between the applicant and the Florida Horsemen's
 444 Benevolent and Protective Association, Inc., governing the
 445 payment of purses on live thoroughbred races conducted at the

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

462 (b) The division shall suspend a slot machine license if
463 one or more of the agreements required under paragraph (a) are
464 terminated or otherwise cease to operate or if the division
465 determines that the licensee is materially failing to comply
466 with the terms of such an agreement. Any such suspension shall
467 take place in accordance with chapter 120.

468 (c)1. If an agreement required under paragraph (a) cannot
469 be reached prior to the initial issuance of the slot machine
470 license, either party may request arbitration or, in the case of
471 a renewal, if an agreement required under paragraph (a) is not
472 in place 120 days prior to the scheduled expiration date of the
473 slot machine license, the applicant shall immediately ask the

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474 American Arbitration Association to furnish a list of 11
475 arbitrators, each of whom shall have at least 5 years of
476 commercial arbitration experience and no financial interest in
477 or prior relationship with any of the parties or their
478 affiliated or related entities or principals. Each required
479 party to the agreement shall select a single arbitrator from the
480 list provided by the American Arbitration Association within 10
481 days of receipt, and the individuals so selected shall choose
482 one additional arbitrator from the list within the next 10 days.

483 2. If an agreement required under paragraph (a) is not in
484 place 60 days after the request under subparagraph 1. in the
485 case of an initial slot machine license or, in the case of a
486 renewal, 60 days prior to the scheduled expiration date of the
487 slot machine license, the matter shall be immediately submitted
488 to mandatory binding arbitration to resolve the disagreement
489 between the parties. The three arbitrators selected pursuant to
490 subparagraph 1. shall constitute the panel that shall arbitrate
491 the dispute between the parties pursuant to the American
492 Arbitration Association Commercial Arbitration Rules and chapter
493 682.

494 3. At the conclusion of the proceedings, which shall be no
495 later than 90 days after the request under subparagraph 1. in
496 the case of an initial slot machine license or, in the case of a
497 renewal, 30 days prior to the scheduled expiration date of the
498 slot machine license, the arbitration panel shall present to the
499 parties a proposed agreement that the majority of the panel
500 believes equitably balances the rights, interests, obligations,
501 and reasonable expectations of the parties. The parties shall

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502 immediately enter into such agreement, which shall satisfy the
503 requirements of paragraph (a) and permit issuance of the pending
504 annual slot machine license or renewal. The agreement produced
505 by the arbitration panel under this subparagraph shall be
506 effective until the last day of the license or renewal period or
507 until the parties enter into a different agreement. Each party
508 shall pay its respective costs of arbitration and shall pay one-
509 half of the costs of the arbitration panel, unless the parties
510 otherwise agree. If the agreement produced by the arbitration
511 panel under this subparagraph remains in place 120 days prior to
512 the scheduled issuance of the next annual license renewal, then
513 the arbitration process established in this paragraph will begin
514 again.

515 4. In the event that neither of the agreements required
516 under paragraph (a) are in place by the deadlines established in
517 this paragraph, arbitration regarding each agreement will
518 proceed independently, with separate lists of arbitrators,
519 arbitration panels, arbitration proceedings, and resulting
520 agreements.

521 5. With respect to the agreement required under paragraph
522 (a) governing the payment of purses, the arbitration and
523 resulting agreement called for under this paragraph shall be
524 limited to the payment of purses from slot machine revenues
525 only.

526 (d) If any provision of this subsection or its application
527 to any person or circumstance is held invalid, the invalidity
528 does not affect other provisions or applications of this
529 subsection or chapter which can be given effect without the

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530 invalid provision or application, and to this end the provisions
531 of this subsection are severable.

532 551.1045 Temporary licenses.--

533 (1) (a) After 180 days following the effective date of this
534 act, if the division has not adopted rules to implement the
535 provisions of this chapter that allow for the issuance of slot
536 machine licenses within such 180 days, the division shall issue
537 a temporary slot machine license to an applicant if the
538 applicant holds a valid pari-mutuel permit in good standing
539 under chapter 550, the applicant's ownership interests have been
540 previously approved as provided in chapter 550, and the
541 applicant has conducted live racing or games during the calendar
542 years 2002 and 2003 and has paid the license fee provided in s.
543 551.106(1). The slot machine license will permit the licensee to
544 conduct slot machine gaming in the designated slot machine
545 gaming areas of the eligible facility.

546 (b) The temporary license is valid until the division has
547 adopted rules implementing the provisions of this chapter and
548 taken final action on the filed application under its final
549 adopted rules. Once the division has adopted rules implementing
550 the provisions of this chapter, it shall complete review of any
551 filed application and shall issue a license under s. 551.104 if
552 the licensee meets the requirements of this chapter and rules
553 adopted by the division.

554 (2) (a) A manufacturer or distributor of slot machines who
555 has applied for a license under s. 551.107 shall be issued a
556 temporary business occupational license if it holds a valid

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557 license to manufacture or distribute slot machines in a state
 558 where gaming is lawful.

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

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

571 551.105 Slot machine license renewal.--

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

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

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

584 551.106 License fee; tax rate; penalties.--

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

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

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

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

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

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

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

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

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

644 551.107 Slot machine occupational license; findings;
 645 application; fee.--

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

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

656 1. General occupational licenses for general employees,
 657 including food service, maintenance, and other similar service
 658 and support employees having access to the slot machine gaming
 659 area.

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

666 3. Business occupational licenses for any slot machine
 667 management company or company associated with slot machine
 668 gaming, any person who manufactures, distributes, or sells slot

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669 machines, slot machine paraphernalia, or other associated
670 equipment to slot machine licensees, any company that sells or
671 provides goods or services associated with slot machine gaming
672 to slot machine licensees, or any person not an employee of the
673 slot machine licensee who provides maintenance, repair, or
674 upgrades or otherwise services a slot machine or other slot
675 machine equipment.

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

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

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

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

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

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

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

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725 general occupational licensee and does not prohibit the initial
 726 issuance or the renewal of the general occupational license.

727 (5) The division may:

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

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

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

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752 license revoked by this state or any other jurisdiction for any
753 gaming-related offense.

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

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

764 (7) Fingerprints for all slot machine occupational license
765 applications shall be taken in a manner approved by the division
766 and shall be submitted electronically to the Department of Law
767 Enforcement for state processing and the Federal Bureau of
768 Investigation for national processing for a criminal history
769 record check. All persons as specified in s. 550.1815(1)(a)
770 employed by or working within a licensed premises shall submit
771 fingerprints for a criminal history record check and may not
772 have been convicted of any disqualifying criminal offenses
773 specified in subsection (6). Division employees and law
774 enforcement officers assigned by their employing agencies to
775 work within the premises as part of their official duties are
776 excluded from the criminal history record check requirements
777 under this subsection. For purposes of this subsection, the term
778 "convicted" means having been found guilty, with or without

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779 adjudication of guilt, as a result of a jury verdict, nonjury
780 trial, or entry of a plea of guilty or nolo contendere.

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

793 (b) The cost of processing fingerprints and conducting a
794 criminal history record check for a general occupational license
795 shall be borne by the slot machine licensee. The cost of
796 processing fingerprints and conducting a criminal history record
797 check for a business or professional occupational license shall
798 be borne by the person being checked. The Department of Law
799 Enforcement may invoice the division for the fingerprints
800 submitted each month.

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

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807 statewide automated fingerprint identification system pursuant
808 to s. 943.051.

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

826 (e) The division shall request the Department of Law
827 Enforcement to forward the fingerprints to the Federal Bureau of
828 Investigation for a national criminal history records check
829 every 3 years following issuance of a license. If the
830 fingerprints of a person who is licensed have not been retained
831 by the Department of Law Enforcement, the person must file a
832 complete set of fingerprints as provided for in paragraph (a).
833 The division shall collect the fees for the cost of the national
834 criminal history record check under this paragraph and shall

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835 forward the payment to the Department of Law Enforcement. The
 836 cost of processing fingerprints and conducting a criminal
 837 history record check under this paragraph for a general
 838 occupational license shall be borne by the slot machine
 839 licensee. The cost of processing fingerprints and conducting a
 840 criminal history record check under this paragraph for a
 841 business or professional occupational license shall be borne by
 842 the person being checked. The Department of Law Enforcement may
 843 invoice the division for the fingerprints submitted each month.
 844 Under penalty of perjury, each person who is licensed or who is
 845 fingerprinted as required by this section must agree to inform
 846 the division within 48 hours if he or she is convicted of or has
 847 entered a plea of guilty or nolo contendere to any disqualifying
 848 offense, regardless of adjudication.

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

851 551.108 Prohibited relationships.--

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

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

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

859 (2) A manufacturer or distributor of slot machines may not
 860 enter into any contract with a slot machine licensee that
 861 provides for any revenue sharing of any kind or nature that is
 862 directly or indirectly calculated on the basis of a percentage

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863 of slot machine revenues. Any maneuver, shift, or device whereby
 864 this subsection is violated is a violation of this chapter and
 865 renders any such agreement void.

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

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

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

880 551.109 Prohibited acts; penalties.--

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

888 (2) Except as otherwise provided by law and in addition to
 889 any other penalty, any person who possesses a slot machine
 890 without the license required by this chapter or who possesses a

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891 slot machine at any location other than at the slot machine
 892 licensee's facility is subject to an administrative fine or
 893 civil penalty of up to \$10,000 per machine.

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

904 (4) Any person who manipulates or attempts to manipulate
 905 the outcome, payoff, or operation of a slot machine by physical
 906 tampering or by use of any object, instrument, or device,
 907 whether mechanical, electrical, magnetic, or involving other
 908 means, commits a felony of the third degree, punishable as
 909 provided in s. 775.082, s. 775.083, or s. 775.084.

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

916 (6) (a) Any law enforcement officer or slot machine
 917 operator who has probable cause to believe that a violation of
 918 subsection (3), subsection (4), or subsection (5) has been

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

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

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

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

950 551.111 Legal devices.--Notwithstanding any provision of
 951 law to the contrary, a slot machine manufactured, sold,
 952 distributed, possessed, or operated according to the provisions
 953 of this chapter is not unlawful.

954 551.112 Exclusions of certain persons.--In addition to the
 955 power to exclude certain persons from any facility of a slot
 956 machine licensee in this state, the division may exclude any
 957 person from any facility of a slot machine licensee in this
 958 state for conduct that would constitute, if the person were a
 959 licensee, a violation of this chapter or the rules of the
 960 division. The division may exclude from any facility of a slot
 961 machine licensee any person who has been ejected from a facility
 962 of a slot machine licensee in this state or who has been
 963 excluded from any facility of a slot machine licensee or gaming
 964 facility in another state by the governmental department,
 965 agency, commission, or authority exercising regulatory
 966 jurisdiction over the gaming in such other state. This section
 967 does not abrogate the common law right of a slot machine
 968 licensee to exclude a patron absolutely in this state.

969 551.113 Persons prohibited from playing slot machines.--

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

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

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

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

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

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

986
 987 THE PLAYING OF SLOT MACHINES BY PERSONS UNDER THE AGE OF
 988 21 IS AGAINST FLORIDA LAW (SECTION 551.113, FLORIDA
 989 STATUTES). PROOF OF AGE MAY BE REQUIRED AT ANY TIME.

990
 991 551.114 Slot machine gaming areas.--

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

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

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1001 (3) The division shall require the posting of signs
 1002 warning of the risks and dangers of gambling, showing the odds
 1003 of winning, and informing patrons of the toll-free telephone
 1004 number available to provide information and referral services
 1005 regarding compulsive or problem gambling.

1006 (4) Designated slot machine gaming areas may be located
 1007 within the current live gaming facility or in an existing
 1008 building that must be contiguous and connected to the live
 1009 gaming facility. If a designated slot machine gaming area is to
 1010 be located in a building that is to be constructed, that new
 1011 building must be contiguous and connected to the live gaming
 1012 facility.

1013 (5) The permitholder shall provide adequate office space
 1014 at no cost to the division and the Department of Law Enforcement
 1015 for the oversight of slot machine operations. The division shall
 1016 adopt rules establishing the criteria for adequate space,
 1017 configuration, and location and needed electronic and
 1018 technological requirements for office space required by this
 1019 subsection.

1020 551.116 Days and hours of operation.--Slot machine gaming
 1021 areas may be open daily throughout the year. The slot machine
 1022 gaming areas may be open for a maximum of 16 hours per day.

1023 551.117 Penalties.--The division may revoke or suspend any
 1024 slot machine license issued under this chapter upon the willful
 1025 violation by the slot machine licensee of any provision of this
 1026 chapter or of any rule adopted under this chapter. In lieu of
 1027 suspending or revoking a slot machine license, the division may
 1028 impose a civil penalty against the slot machine licensee for a

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1029 violation of this chapter or any rule adopted by the division.
 1030 Except as otherwise provided in this chapter, the penalty so
 1031 imposed may not exceed \$100,000 for each count or separate
 1032 offense. All penalties imposed and collected must be deposited
 1033 into the Pari-mutuel Wagering Trust Fund of the Department of
 1034 Business and Professional Regulation.

1035 551.118 Compulsive or addictive gambling prevention
 1036 program.--

1037 (1) The slot machine licensee shall offer training to
 1038 employees on responsible gaming and shall work with a compulsive
 1039 or addictive gambling prevention program to recognize problem
 1040 gaming situations and to implement responsible gaming programs
 1041 and practices.

1042 (2) The division shall, subject to competitive bidding,
 1043 contract for provision of services related to the prevention of
 1044 compulsive and addictive gambling. The contract shall provide
 1045 for an advertising program to encourage responsible gaming
 1046 practices and to publicize a gambling telephone help line. Such
 1047 advertisements must be made both publicly and inside the
 1048 designated slot machine gaming areas of the licensee's
 1049 facilities. The terms of any contract for the provision of such
 1050 services shall include accountability standards that must be met
 1051 by any private provider. The failure of any private provider to
 1052 meet any material terms of the contract, including the
 1053 accountability standards, shall constitute a breach of contract
 1054 or grounds for nonrenewal. The division may consult with the
 1055 Department of the Lottery in the development of the program and
 1056 the development and analysis of any procurement for contractual

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1057 services for the compulsive or addictive gambling prevention
 1058 program.

1059 (3) The compulsive or addictive gambling prevention
 1060 program shall be funded from an annual nonrefundable regulatory
 1061 fee of \$250,000 paid by the licensee to the division.

1062 551.119 Caterer's license.--A slot machine licensee is
 1063 entitled to a caterer's license pursuant to s. 565.02 on days on
 1064 which the pari-mutuel facility is open to the public for slot
 1065 machine game play as authorized by this chapter.

1066 551.121 Prohibited activities and devices.--

1067 (1) Complimentary or reduced-cost alcoholic beverages may
 1068 not be served to persons playing a slot machine. Alcoholic
 1069 beverages served to persons playing a slot machine shall cost at
 1070 least the same amount as alcoholic beverages served to the
 1071 general public at a bar within the facility.

1072 (2) A slot machine licensee may not make any loan, provide
 1073 credit, or advance cash in order to enable a person to play a
 1074 slot machine. This subsection shall not prohibit automated
 1075 ticket redemption machines that dispense cash resulting from the
 1076 redemption of tickets from being located in the designated slot
 1077 machine gaming area of the slot machine licensee.

1078 (3) A slot machine licensee may not allow any automated
 1079 teller machine or similar device designed to provide credit or
 1080 dispense cash to be located within the facilities of the slot
 1081 machine licensee.

1082 (4) A slot machine licensee may not accept or cash any
 1083 personal, third-party, corporate, business, or government-issued
 1084 check from any person.

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1085 (5) A slot machine, or the computer operating system
 1086 linking the slot machine, may not be linked by any means to any
 1087 other slot machine or computer operating system of another slot
 1088 machine licensee. A progressive system may not be used in
 1089 conjunction with slot machines within or between licensed
 1090 facilities.

1091 (6) A slot machine located within a licensed facility
 1092 shall accept only tickets or paper currency or an electronic
 1093 payment system for wagering and return or deliver payouts to the
 1094 player in the form of tickets that may be exchanged for cash,
 1095 merchandise, or other items of value. The use of coins, credit
 1096 or debit cards, tokens, or similar objects is specifically
 1097 prohibited. However, an electronic credit system may be used for
 1098 receiving wagers and making payouts.

1099 551.122 Rulemaking.--The division may adopt rules pursuant
 1100 to ss. 120.536(1) and 120.54 to administer the provisions of
 1101 this chapter.

1102 Section 2. Section 849.15, Florida Statutes, is amended to
 1103 read:

1104 849.15 Manufacture, sale, possession, etc., of coin-
 1105 operated devices prohibited.--

1106 (1) It is unlawful:

1107 (a) ~~(1)~~ To manufacture, own, store, keep, possess, sell,
 1108 rent, lease, let on shares, lend or give away, transport, or
 1109 expose for sale or lease, or to offer to sell, rent, lease, let
 1110 on shares, lend or give away, or permit the operation of, or for
 1111 any person to permit to be placed, maintained, or used or kept
 1112 in any room, space, or building owned, leased or occupied by the

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1113 person or under the person's management or control, any slot
 1114 machine or device or any part thereof; or

1115 (b)~~(2)~~ To make or to permit to be made with any person any
 1116 agreement with reference to any slot machine or device, pursuant
 1117 to which the user thereof, as a result of any element of chance
 1118 or other outcome unpredictable to him or her, may become
 1119 entitled to receive any money, credit, allowance, or thing of
 1120 value or additional chance or right to use such machine or
 1121 device, or to receive any check, slug, token or memorandum
 1122 entitling the holder to receive any money, credit, allowance or
 1123 thing of value.

1124 (2) Pursuant to section 2 of that chapter of the Congress
 1125 of the United States entitled "An act to prohibit transportation
 1126 of gaming devices in interstate and foreign commerce," approved
 1127 January 2, 1951, being c. 1194, 64 Stat. 1134, and also
 1128 designated as 15 U.S.C. ss. 1171-1177, the State of Florida,
 1129 acting by and through the duly elected and qualified members of
 1130 its Legislature, does hereby in this section, and in accordance
 1131 with and in compliance with the provisions of section 2 of such
 1132 chapter of Congress, declare and proclaim that any county of the
 1133 State of Florida within which slot machine gaming is authorized
 1134 pursuant to chapter 551 is exempt from the provisions of section
 1135 2 of that chapter of the Congress of the United States entitled
 1136 "An act to prohibit transportation of gaming devices in
 1137 interstate and foreign commerce," designated as 15 U.S.C. ss.
 1138 1171-1177, approved January 2, 1951. All shipments of gaming
 1139 devices, including slot machines, into any county of this state
 1140 within which slot machine gaming is authorized pursuant to

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1141 chapter 551 and the registering, recording, and labeling of
 1142 which have been duly performed by the manufacturer or
 1143 distributor thereof in accordance with sections 3 and 4 of that
 1144 chapter of the Congress of the United States entitled "An act to
 1145 prohibit transportation of gaming devices in interstate and
 1146 foreign commerce," approved January 2, 1951, being c. 1194, 64
 1147 Stat. 1134, and also designated as 15 U.S.C. ss. 1171-1177,
 1148 shall be deemed legal shipments thereof into any such county
 1149 provided the destination of such shipments is an eligible
 1150 facility as defined s. 551.102.

1151 Section 3. Subsections (1) and (2) of section 895.02,
 1152 Florida Statutes, are amended to read:

1153 895.02 Definitions.--As used in ss. 895.01-895.08, the
 1154 term:

1155 (1) "Racketeering activity" means to commit, to attempt to
 1156 commit, to conspire to commit, or to solicit, coerce, or
 1157 intimidate another person to commit:

1158 (a) Any crime which is chargeable by indictment or
 1159 information under the following provisions of the Florida
 1160 Statutes:

1161 1. Section 210.18, relating to evasion of payment of
 1162 cigarette taxes.

1163 2. Section 403.727(3)(b), relating to environmental
 1164 control.

1165 3. Section 409.920 or s. 409.9201, relating to Medicaid
 1166 fraud.

1167 4. Section 414.39, relating to public assistance fraud.

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- 1168 5. Section 440.105 or s. 440.106, relating to workers'
- 1169 compensation.
- 1170 6. Section 443.071(4), relating to creation of a
- 1171 fictitious employer scheme to commit unemployment compensation
- 1172 fraud.
- 1173 7. Section 465.0161, relating to distribution of medicinal
- 1174 drugs without a permit as an Internet pharmacy.
- 1175 8. Sections 499.0051, 499.0052, 499.00535, 499.00545, and
- 1176 499.0691, relating to crimes involving contraband and
- 1177 adulterated drugs.
- 1178 9. Part IV of chapter 501, relating to telemarketing.
- 1179 10. Chapter 517, relating to sale of securities and
- 1180 investor protection.
- 1181 11. Section 550.235, s. 550.3551, or s. 550.3605, relating
- 1182 to dogracing and horseracing.
- 1183 12. Chapter 550, relating to jai alai frontons.
- 1184 13. Section 551.109, relating to slot machine gaming.
- 1185 ~~14.13.~~ Chapter 552, relating to the manufacture,
- 1186 distribution, and use of explosives.
- 1187 ~~15.14.~~ Chapter 560, relating to money transmitters, if the
- 1188 violation is punishable as a felony.
- 1189 ~~16.15.~~ Chapter 562, relating to beverage law enforcement.
- 1190 ~~17.16.~~ Section 624.401, relating to transacting insurance
- 1191 without a certificate of authority, s. 624.437(4)(c)1., relating
- 1192 to operating an unauthorized multiple-employer welfare
- 1193 arrangement, or s. 626.902(1)(b), relating to representing or
- 1194 aiding an unauthorized insurer.

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- 1195 ~~18.17.~~ Section 655.50, relating to reports of currency
- 1196 transactions, when such violation is punishable as a felony.
- 1197 ~~19.18.~~ Chapter 687, relating to interest and usurious
- 1198 practices.
- 1199 ~~20.19.~~ Section 721.08, s. 721.09, or s. 721.13, relating
- 1200 to real estate timeshare plans.
- 1201 ~~21.20.~~ Chapter 782, relating to homicide.
- 1202 ~~22.21.~~ Chapter 784, relating to assault and battery.
- 1203 ~~23.22.~~ Chapter 787, relating to kidnapping.
- 1204 ~~24.23.~~ Chapter 790, relating to weapons and firearms.
- 1205 ~~25.24.~~ Section 796.03, s. 796.035, s. 796.04, s. 796.045,
- 1206 s. 796.05, or s. 796.07, relating to prostitution and sex
- 1207 trafficking.
- 1208 ~~26.25.~~ Chapter 806, relating to arson.
- 1209 ~~27.26.~~ Section 810.02(2)(c), relating to specified
- 1210 burglary of a dwelling or structure.
- 1211 ~~28.27.~~ Chapter 812, relating to theft, robbery, and
- 1212 related crimes.
- 1213 ~~29.28.~~ Chapter 815, relating to computer-related crimes.
- 1214 ~~30.29.~~ Chapter 817, relating to fraudulent practices,
- 1215 false pretenses, fraud generally, and credit card crimes.
- 1216 ~~31.30.~~ Chapter 825, relating to abuse, neglect, or
- 1217 exploitation of an elderly person or disabled adult.
- 1218 ~~32.31.~~ Section 827.071, relating to commercial sexual
- 1219 exploitation of children.
- 1220 ~~33.32.~~ Chapter 831, relating to forgery and
- 1221 counterfeiting.

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1222 ~~34.33~~. Chapter 832, relating to issuance of worthless
 1223 checks and drafts.

1224 ~~35.34~~. Section 836.05, relating to extortion.

1225 ~~36.35~~. Chapter 837, relating to perjury.

1226 ~~37.36~~. Chapter 838, relating to bribery and misuse of
 1227 public office.

1228 ~~38.37~~. Chapter 843, relating to obstruction of justice.

1229 ~~39.38~~. Section 847.011, s. 847.012, s. 847.013, s. 847.06,
 1230 or s. 847.07, relating to obscene literature and profanity.

1231 ~~40.39~~. Section 849.09, s. 849.14, s. 849.15, s. 849.23, or
 1232 s. 849.25, relating to gambling.

1233 ~~41.40~~. Chapter 874, relating to criminal street gangs.

1234 ~~42.41~~. Chapter 893, relating to drug abuse prevention and
 1235 control.

1236 ~~43.42~~. Chapter 896, relating to offenses related to
 1237 financial transactions.

1238 ~~44.43~~. Sections 914.22 and 914.23, relating to tampering
 1239 with a witness, victim, or informant, and retaliation against a
 1240 witness, victim, or informant.

1241 ~~45.44~~. Sections 918.12 and 918.13, relating to tampering
 1242 with jurors and evidence.

1243 (b) Any conduct defined as "racketeering activity" under
 1244 18 U.S.C. s. 1961(1).

1245 (2) "Unlawful debt" means any money or other thing of
 1246 value constituting principal or interest of a debt that is
 1247 legally unenforceable in this state in whole or in part because
 1248 the debt was incurred or contracted:

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1249 (a) In violation of any one of the following provisions of
 1250 law:

1251 1. Section 550.235, s. 550.3551, or s. 550.3605, relating
 1252 to dogracing and horseracing.

1253 2. Chapter 550, relating to jai alai frontons.

1254 3. Section 551.109, relating to slot machine gaming.

1255 ~~4.3-~~ Chapter 687, relating to interest and usury.

1256 ~~5.4-~~ Section 849.09, s. 849.14, s. 849.15, s. 849.23, or
 1257 s. 849.25, relating to gambling.

1258 (b) In gambling activity in violation of federal law or in
 1259 the business of lending money at a rate usurious under state or
 1260 federal law.

1261 Section 4. The Legislature finds and declares that it has
 1262 exclusive authority over the conduct of all wagering occurring
 1263 at a slot machine facility in this state. As provided by law,
 1264 only the Division of Pari-mutuel Wagering and other authorized
 1265 state agencies shall administer chapter 551, Florida Statutes,
 1266 and regulate the slot machine gaming industry, including
 1267 operation of slot machine facilities, games, slot machines, and
 1268 facilities-based computer systems authorized in chapter 551,
 1269 Florida Statutes, and the rules adopted by the division.

1270 Section 5. (1) For fiscal year 2005-2006, 46 full-time
 1271 equivalent positions, with associated salary rate of 1,810,342,
 1272 are authorized and the sums of \$682,582 in recurring funds and
 1273 \$1,164,135 in nonrecurring funds from the Pari-mutuel Wagering
 1274 Trust Fund of the Department of Business and Professional
 1275 Regulation and \$139,474 in recurring funds and \$809,863 in
 1276 nonrecurring funds from the Administrative Trust Fund of the

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1277 Department of Business and Professional Regulation are hereby
 1278 appropriated for the purpose of carrying out all regulatory
 1279 activities provided in this act. The Executive Office of the
 1280 Governor shall place these funds and positions and the salary
 1281 rate in reserve until such time as the Department of Business
 1282 and Professional Regulation submits an expenditure plan for
 1283 approval to the Executive Office of the Governor and the chair
 1284 and vice chair of the Legislative Budget Commission in
 1285 accordance with the provisions of s. 216.177, Florida Statutes.

1286 (2) For fiscal year 2005-2006, the sums of \$1,024,998 in
 1287 recurring funds and \$1,184,564 in nonrecurring funds are hereby
 1288 appropriated from the Pari-mutuel Wagering Trust Fund of the
 1289 Department of Business and Professional Regulation for transfer
 1290 to the Department of Law Enforcement for the purpose of
 1291 investigations, intelligence gathering, background
 1292 investigations, and any other responsibilities as provided for
 1293 in this act. Thirty-nine full-time equivalent positions, with an
 1294 associated salary rate of 1,682,034, are authorized and the sums
 1295 of \$1,024,998 in recurring funds and \$1,184,564 in nonrecurring
 1296 funds are hereby appropriated from the Operating Trust Fund
 1297 within the Department of Law Enforcement for the purpose of
 1298 investigations, intelligence gathering, background
 1299 investigations, and any other responsibilities as provided for
 1300 in this act. The Executive Office of the Governor shall place
 1301 these funds and positions and the salary rate in reserve until
 1302 such time as the Department of Law Enforcement submits an
 1303 expenditure plan for approval to the Executive Office of the
 1304 Governor and the chair and vice chair of the Legislative Budget

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1305 Commission in accordance with the provisions of s. 216.177,
 1306 Florida Statutes.

1307 (3) The sum of \$1,000,000 in recurring funds is
 1308 appropriated for fiscal year 2005-2006 from the Pari-mutuel
 1309 Wagering Trust Fund of the Department of Business and
 1310 Professional Regulation from revenues received pursuant to s.
 1311 551.118, Florida Statutes, for contract services related to the
 1312 prevention of compulsive and addictive gambling.

1313 Section 6. Paragraph (v) is added to subsection (1) of
 1314 section 215.22, Florida Statutes, to read:

1315 215.22 Certain income and certain trust funds exempt.--

1316 (1) The following income of a revenue nature or the
 1317 following trust funds shall be exempt from the appropriation
 1318 required by s. 215.20(1):

1319 (v) Taxes imposed on slot machine revenues pursuant to s.
 1320 551.106(2).

1321 Section 7. The Department of Business and Professional
 1322 Regulation may expend the unreserved cash balance in the Pari-
 1323 mutuel Wagering Trust Fund received from non-slot revenue
 1324 sources to implement slot machine regulation and investigations
 1325 during fiscal year 2005-2006. Beginning as soon as practical,
 1326 but no later than fiscal year 2006-2007, the department shall
 1327 initiate repayment of such funds with slot machine license
 1328 revenue sources until the full amount is reimbursed. The
 1329 department shall submit a repayment plan for approval to the
 1330 Executive Office of the Governor and the chair and vice chair of
 1331 the Legislative Budget Commission in accordance with the
 1332 provisions of s. 216.177, Florida Statutes. The repaid funds

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1333 shall be subject to the requirements of s. 550.135(2), Florida
1334 Statutes.

1335 Section 8. This act shall take effect upon becoming a law.