

1 circumstances; authorizing agency rulemaking;
2 amending s. 551.114, F.S.; increasing the
3 number of slot machines a licensee may make
4 available for play; amending s. 551.116, F.S.;
5 increasing the hours that slot machine gaming
6 areas may be open upon local government
7 approval; amending s. 551.121, F.S.;
8 authorizing automatic teller machines in
9 certain areas of a pari-mutuel facility;
10 excluding check cashing in the designated slot
11 machine gaming areas; amending s. 849.15, F.S.;
12 clarifying the authority to legally ship slot
13 machines into the state under certain
14 circumstances; providing an effective date.

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

17
18 Section 1. Present subsections (6) through (12) of
19 section 551.102, Florida Statutes, are redesignated as
20 subsections (7) through (13), respectively, a new subsection
21 (6) is added to that section, and present subsection (12) of
22 that section is amended, to read:

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

25 (6) "Nonredeemable credits" means slot machine
26 operating credits that cannot be redeemed for cash or any
27 other thing of value by a slot machine, kiosk, or the slot
28 machine licensee and that are provided free of charge to
29 patrons. Such credits do not constitute "nonredeemable
30 credits" until such time as they are metered as credit into a
31

1 slot machine and recorded in the facility-based monitoring
2 system.

3 ~~(13)(12)~~ "Slot machine revenues" means the total of
4 all cash and property, except nonredeemable credits, received
5 by the slot machine licensee from the operation of slot
6 machines less the amount of cash, cash equivalents, credits,
7 and prizes paid to winners of slot machine gaming.

8 Section 2. Paragraph (f) of subsection (1) of section
9 551.103, Florida Statutes, is amended, and paragraph (j) is
10 added to that subsection, to read:

11 551.103 Powers and duties of the division and law
12 enforcement.--

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

17 (f) Procedures for requiring each licensee at his or
18 her own cost and expense to supply the division with a bond
19 having the penal sum of \$2 million payable to the Governor and
20 his or her successors in office for each year of the
21 licensee's ~~first year of~~ slot machine operations. ~~Annually~~
22 ~~thereafter, the licensee shall file a bond having a penal sum~~
23 ~~that is determined each year by the division pursuant to rules~~
24 ~~adopted by the division and that approximates the anticipated~~
25 ~~state revenues from the licensee's slot machine operation;~~
26 ~~however, the bond may not in any case be less than \$2 million.~~
27 Any bond shall be issued by a surety or sureties approved by
28 the division and the Chief Financial Officer, conditioned to
29 faithfully make the payments to the Chief Financial Officer in
30 his or her capacity as treasurer of the division. The licensee
31 shall be required to keep its books and records and make

1 reports as provided in this chapter and to conduct its slot
2 machine operations in conformity with this chapter and all
3 other provisions of law. Such bond shall be separate and
4 distinct from the bond required in s. 550.125.

5 (j) Procedures for requiring slot machine licensees to
6 implement and establish drug-testing programs for all slot
7 machine occupational licensees.

8 Section 3. Paragraph (i) of subsection (4) of section
9 551.104, Florida Statutes, is amended to read:

10 551.104 License to conduct slot machine gaming.--

11 (4) As a condition of licensure and to maintain
12 continued authority for the conduct of slot machine gaming,
13 the slot machine licensee shall:

14 (i) Create and file with the division a written policy
15 for:

16 1. Creating opportunities to purchase from vendors in
17 this state, including minority vendors.

18 2. Creating opportunities for employment of residents
19 of this state, including minority residents.

20 3. Ensuring opportunities for construction services
21 from minority contractors.

22 4. Ensuring that opportunities for employment are
23 offered on an equal, nondiscriminatory basis.

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

27 6. The implementation of a drug-testing program that
28 includes, but is not limited to, requiring each employee to
29 sign an agreement that he or she understands that the slot
30 machine facility is a drug-free workplace.

31

1 The slot machine licensee shall use the Internet-based
2 job-listing system of the Agency for Workforce Innovation in
3 advertising employment opportunities. Beginning in June 2007,
4 each slot machine licensee shall provide an annual report to
5 the division containing information indicating compliance with
6 this paragraph in regard to minority persons.

7 Section 4. Section 551.1045, Florida Statutes, is
8 amended to read:

9 551.1045 Temporary licenses.--

10 (1) Notwithstanding any provision of s. 120.60 to the
11 contrary, the division may issue a temporary occupational
12 license upon the receipt of a complete application from the
13 applicant and a determination if the applicant has not been
14 convicted of or had adjudication withheld on any disqualifying
15 criminal offense. The temporary occupational license remains
16 valid until such time as the division grants an occupational
17 license or notifies the applicant of its intended decision to
18 deny the applicant a license pursuant to the provisions of s.
19 120.60. The division shall adopt rules to administer this
20 subsection. However, not more than one temporary license may
21 be issued for any person in any year.

22 ~~(1)(a) After 180 days following the effective date of~~
23 ~~this act, if the division has not adopted rules to implement~~
24 ~~the provisions of this chapter that allow for the issuance of~~
25 ~~slot machine licenses within such 180 days, the division shall~~
26 ~~issue a temporary slot machine license to an applicant if the~~
27 ~~applicant holds a valid pari mutuel permit in good standing~~
28 ~~under chapter 550, the applicant's ownership interests have~~
29 ~~been previously approved as provided in chapter 550, and the~~
30 ~~applicant has conducted live racing or games during the~~
31 ~~calendar years 2002 and 2003 and has paid the license fee~~

1 ~~provided in s. 551.106(1). The slot machine license will~~
2 ~~permit the licensee to conduct slot machine gaming in the~~
3 ~~designated slot machine gaming areas of the eligible facility.~~

4 ~~(b) The temporary license is valid until the division~~
5 ~~has adopted rules implementing the provisions of this chapter~~
6 ~~and taken final action on the filed application under its~~
7 ~~final adopted rules. Once the division has adopted rules~~
8 ~~implementing the provisions of this chapter, it shall complete~~
9 ~~review of any filed application and shall issue a license~~
10 ~~under s. 551.104 if the licensee meets the requirements of~~
11 ~~this chapter and rules adopted by the division.~~

12 ~~(2)(a) A manufacturer or distributor of slot machines~~
13 ~~who has applied for a license under s. 551.107 shall be issued~~
14 ~~a temporary business occupational license if it holds a valid~~
15 ~~license to manufacture or distribute slot machines in a state~~
16 ~~where gaming is lawful.~~

17 ~~(b) The temporary license is valid until the division~~
18 ~~has adopted rules implementing the provisions of this chapter~~
19 ~~and taken final action on the filed application under its~~
20 ~~final adopted rules. Once the division has adopted rules~~
21 ~~implementing the provisions of this chapter, it shall complete~~
22 ~~review of any filed application and shall issue a license~~
23 ~~under s. 551.107 if the licensee meets the requirements of~~
24 ~~this chapter and rules adopted by the division.~~

25 ~~(2)(3) A temporary license issued under this section~~
26 ~~is nontransferable. Any temporary license issued under this~~
27 ~~section shall be valid during the pendency of any challenge to~~
28 ~~the rules.~~

29 Section 5. Paragraph (a) of subsection (1) of section
30 551.106, Florida Statutes, is amended to read:

31 551.106 License fee; tax rate; penalties.--

1 (1) LICENSE FEE.--

2 (a) Upon submission of the initial application for a
3 slot machine license and annually thereafter, upon the
4 anniversary date of the issuance of the initial license
5 ~~submission of an application for renewal of the slot machine~~
6 ~~license~~, the licensee must pay to the division a nonrefundable
7 license fee of \$3 million for the succeeding 12 months of
8 licensure. The license fee shall be deposited into the
9 Pari-mutuel Wagering Trust Fund of the Department of Business
10 and Professional Regulation to be used by the division and the
11 Department of Law Enforcement for investigations, regulation
12 of slot machine gaming, and enforcement of slot machine gaming
13 provisions under this chapter. These payments shall be
14 accounted for separately from taxes or fees paid pursuant to
15 the provisions of chapter 550.

16 Section 6. Subsection (2) and paragraph (b) of
17 subsection (4) of section 551.107, Florida Statutes, are
18 amended, and subsections (9), (10), and (11) are added to that
19 section, to read:

20 551.107 Slot machine occupational license; findings;
21 application; fee.--

22 (2)(a) The following slot machine occupational
23 licenses shall be issued to persons or entities that, by
24 virtue of the positions they hold, might be granted access to
25 slot machine gaming areas or to any other person or entity in
26 one of the following categories:

27 1. General occupational licenses for general
28 employees, including food service, maintenance, and other
29 similar service and support employees having access to the
30 slot machine gaming area.

31

1 2. Professional occupational licenses for any person,
2 proprietorship, partnership, corporation, or other entity that
3 is authorized by a slot machine licensee to manage, oversee,
4 or otherwise control daily operations as a slot machine
5 manager, a floor supervisor, security personnel, or any other
6 similar position of oversight of gaming operations, or any
7 person who is not an employee of the slot machine licensee and
8 who provides maintenance, repair, or upgrades or otherwise
9 services a slot machine or other slot machine equipment.

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

20 (b) The division may issue one license to combine
21 licenses under this section with pari-mutuel occupational
22 licenses and cardroom licenses pursuant to s. 550.105(2)(d).
23 The division shall adopt rules pertaining to occupational
24 licenses under this subsection. Such rules may specify, but
25 need not be limited to, requirements and restrictions for
26 licensed occupations and categories, procedures to apply for
27 any license or combination of licenses, disqualifying criminal
28 offenses for a licensed occupation or categories of
29 occupations, and which types of occupational licenses may be
30 combined into single license under this section. The
31 fingerprinting requirements of subsection (7) apply to any

1 combination license that includes slot machine license
2 privileges under this section. The division may not adopt a
3 rule allowing the issuance of an occupational license to any
4 person who does not meet the minimum background qualifications
5 under this section.

6 ~~(b) Notwithstanding any provision of law to the~~
7 ~~contrary, a pari mutuel occupational licensee holding a~~
8 ~~currently valid pari mutuel occupational license is eligible~~
9 ~~to act as a slot machine occupational licensee upon the~~
10 ~~effective date of this act until such time as rules have been~~
11 ~~adopted and such pari mutuel occupational licensee has been~~
12 ~~provided a reasonable opportunity to comply with the rules.~~

13 (c) Slot machine occupational licenses are not
14 transferable.

15 (4)

16 (b) A slot machine license or combination license is
17 valid for the same term as a pari-mutuel occupational license
18 issued pursuant to s. 550.105(1). The division shall
19 establish, by rule, a schedule for the annual renewal of slot
20 machine occupational licenses.

21 (9) The division may deny, revoke, or suspend any
22 occupational license if the applicant or holder of the license
23 accumulates unpaid obligations, defaults in obligations, or
24 issues drafts or checks that are dishonored or for which
25 payment is refused without reasonable cause.

26 (10) The division may fine or suspend, revoke, or
27 place conditions upon the license of any licensee who provides
28 false information under oath regarding an application for a
29 license or an investigation by the division.

30 (11) The division may impose a civil fine of up to
31 \$5,000 for each violation of this chapter or the rules of the

1 division in addition to or in lieu of any other penalty
2 provided for in this section. The division may adopt a penalty
3 schedule for violations of this chapter or any rule adopted
4 pursuant to this chapter for which it would impose a fine in
5 lieu of a suspension and adopt rules allowing for the issuance
6 of citations, including procedures to address such citations,
7 to persons who violate such rules. In addition to any other
8 penalty provided by law, the division may exclude from all
9 licensed slot machine facilities in this state, for a period
10 not to exceed the period of suspension, revocation, or
11 ineligibility, any person whose occupational license
12 application has been declared ineligible to hold an
13 occupational license, or whose occupational license has been
14 suspended or revoked by the division.

15 Section 7. Subsection (2) of section 551.109, Florida
16 Statutes, is amended to read:

17 551.109 Prohibited acts; penalties.--

18 (2) Except as otherwise provided by law and in
19 addition to any other penalty, any person who possesses a slot
20 machine without the license required by this chapter or who
21 possesses a slot machine at any location other than at the
22 slot machine licensee's facility is subject to an
23 administrative fine or civil penalty of up to \$10,000 per
24 machine. The prohibition in this subsection does not apply to:

25 (a) Slot machine manufacturers or slot machine
26 distributors that hold appropriate licenses issued by the
27 division who are authorized to maintain a slot machine storage
28 and maintenance facility at any location in a county in which
29 slot machine gaming is authorized by this chapter. The
30 division may adopt rules regarding security and access to the
31 storage facility and inspections by the division.

1 (b) Certified educational facilities that are
2 authorized to maintain slot machines for the sole purpose of
3 education and licensure, if any, of slot machine technicians,
4 inspectors or investigators. The division and the Department
5 of Law Enforcement may possess slot machines for training and
6 testing purposes. The division may adopt rules regarding the
7 regulation of any such slot machines used for educational,
8 training, or testing purposes.

9 Section 8. Subsection (1) of section 551.114, Florida
10 Statutes, is amended to read:

11 551.114 Slot machine gaming areas.--

12 (1) A slot machine licensee may make available for
13 play up to 2,000 ~~1,500~~ slot machines within the property of
14 the facilities of the slot machine licensee.

15 Section 9. Section 551.116, Florida Statutes, is
16 amended to read:

17 551.116 Days and hours of operation.--Slot machine
18 gaming areas may be open daily throughout the year. The slot
19 machine gaming areas may be open for a maximum of 16 hours per
20 day, except that the hours of operation may be extended by
21 majority vote of the governing body of the municipality where
22 the slot machine facility is located or the governing body of
23 the county if the slot machine facility is not located in a
24 municipality.

25 Section 10. Section 551.121, Florida Statutes, is
26 amended to read:

27 551.121 Prohibited activities and devices;
28 exceptions.--

29 (1) Complimentary or reduced-cost alcoholic beverages
30 may not be served to persons playing a slot machine. Alcoholic
31 beverages served to persons playing a slot machine shall cost

1 at least the same amount as alcoholic beverages served to the
2 general public at a bar within the facility.

3 (2) A slot machine licensee may not make any loan,
4 provide credit, or advance cash in order to enable a person to
5 play a slot machine. This subsection shall not prohibit
6 automated ticket redemption machines that dispense cash
7 resulting from the redemption of tickets from being located in
8 the designated slot machine gaming area of the slot machine
9 licensee.

10 (3) A slot machine licensee may not allow any
11 automated teller machine or similar device designed to provide
12 credit or dispense cash to be located within the designated
13 slot machine gaming areas of a facility of a facilities of the
14 slot machine licensee.

15 (4) A slot machine licensee may not accept or cash any
16 personal, third-party, corporate, business, or
17 government-issued check from any person within the designated
18 slot machine gaming areas of a facility of a slot machine
19 licensee.

20 (5) A slot machine, or the computer operating system
21 linking the slot machine, may ~~not~~ be linked by any means to
22 any other slot machine or computer operating system of another
23 slot machine licensee. A progressive system may ~~not~~ be used in
24 conjunction with slot machines within or between licensed
25 facilities.

26 (6) A slot machine located within a licensed facility
27 shall accept only tickets or paper currency or an electronic
28 payment system for wagering and return or deliver payouts to
29 the player in the form of tickets that may be exchanged for
30 cash, merchandise, or other items of value. The use of coins,
31 credit or debit cards, tokens, or similar objects is

1 specifically prohibited. However, an electronic credit system
2 may be used for receiving wagers and making payouts.

3 Section 11. Subsection (2) of section 849.15, Florida
4 Statutes, is amended to read:

5 849.15 Manufacture, sale, possession, etc., of
6 coin-operated devices prohibited.--

7 (2) Pursuant to section 2 of that chapter of the
8 Congress of the United States entitled "An act to prohibit
9 transportation of gaming devices in interstate and foreign
10 commerce," approved January 2, 1951, being ch. 1194, 64 Stat.
11 1134, and also designated as 15 U.S.C. ss. 1171-1177, the
12 State of Florida, acting by and through the duly elected and
13 qualified members of its Legislature, does hereby in this
14 section, and in accordance with and in compliance with the
15 provisions of section 2 of such chapter of Congress, declare
16 and proclaim that any county of the State of Florida within
17 which slot machine gaming is authorized pursuant to chapter
18 551 is exempt from the provisions of section 2 of that chapter
19 of the Congress of the United States entitled "An act to
20 prohibit transportation of gaming devices in interstate and
21 foreign commerce," designated as 15 U.S.C. ss. 1171-1177,
22 approved January 2, 1951. All shipments of gaming devices,
23 including slot machines, into any county of this state within
24 which slot machine gaming is authorized pursuant to chapter
25 551 and the registering, recording, and labeling of which have
26 been duly performed by the manufacturer or distributor thereof
27 in accordance with sections 3 and 4 of that chapter of the
28 Congress of the United States entitled "An act to prohibit
29 transportation of gaming devices in interstate and foreign
30 commerce," approved January 2, 1951, being ch. 1194, 64 Stat.
31 1134, and also designated as 15 U.S.C. ss. 1171-1177, shall be

1 | deemed legal shipments thereof into this state ~~any such county~~
2 | provided the destination of such shipments is an eligible
3 | facility as defined in s. 551.102 or the facility of a slot
4 | machine manufacturer or slot machine distributor as provided
5 | in s. 551.109(2)(a).

6 | Section 12. This act shall take effect upon becoming a
7 | law.

8 |
9 | STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
10 | COMMITTEE SUBSTITUTE FOR
11 | CS/SB 1038 & 218

12 | The Committee Substitute made the following changes to CS/SB
13 | 1038 & 218:

- 14 | 1) Provides that the hours of operation may be extended by
15 | majority vote of the municipality where the slot machine
16 | facility is located or the governing body of the county
17 | if the slot machine facility is not located in the
18 | municipality.
- 19 | 2) Provides that a slot machine licensee may not accept or
20 | cash any check within the designated slot machine gaming
21 | areas.
- 22 | 3) Allows slot machines or the computer operating system to
23 | be linked by any means to any other slot machine or
24 | computer operating system of another slot machine
25 | licensee. It allows a progressive system to be used in
26 | conjunction with slot machines within or between licensed
27 | facilities.
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