

1 A bill to be entitled
2 An act relating to slot machine gaming, as authorized by
3 Section 23 of Article X of the State Constitution;
4 amending s. 551.102, F.S.; defining the term
5 "nonredeemable credits"; redefining the term "slot machine
6 revenues"; amending s. 551.103, F.S.; deleting a
7 requirement that the Division of Pari-mutuel Wagering
8 annually adjust the amount of the bond supplied by a slot
9 machine licensee; establishing the annual amount of bond
10 required; providing for procedures for drug testing;
11 amending s. 551.104, F.S.; providing for implementation of
12 a drug-testing program; amending s. 551.1045, F.S.;
13 providing procedures for temporary occupational licenses;
14 deleting provisions for temporary licensees to be adopted
15 within 180 days; amending s. 551.106, F.S.; establishing
16 when payment of the annual slot machine license fee must
17 be made by a licensee; amending s. 551.107, F.S.;
18 authorizing the division to adopt rules to create a single
19 occupational license; providing for validity; providing
20 for additional disciplinary actions and civil fines;
21 amending s. 551.109, F.S.; exempting slot machine
22 manufacturers and distributors, certain educational
23 facilities, the division, and the Department of Law
24 Enforcement from certain prohibitions against possessing
25 slot machines at a place other than the licensee's
26 facility under certain circumstances; authorizing agency
27 rulemaking; amending s. 551.114, F.S.; increasing the
28 number of slot machines a licensee may make available for

29 play; amending s. 551.116, F.S.; increasing the hours that
 30 slot machine gaming areas may be open; amending s.
 31 551.121, F.S.; authorizing automatic teller machines in
 32 certain areas of a pari-mutuel facility; revising
 33 prohibition against cashing checks to allow cashing checks
 34 outside the designated slot machine gaming area;
 35 authorizing the linking of machines within the slot
 36 machine facility for the purpose of progressive games;
 37 amending s. 849.15, F.S.; clarifying the authority to
 38 legally ship slot machines into the state under certain
 39 circumstances; providing an appropriation; providing an
 40 effective date.

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

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44 Section 1. Present subsections (6) through (12) of section
 45 551.102, Florida Statutes, are redesignated as subsections (7)
 46 through (13), respectively, a new subsection (6) is added to
 47 that section, and present subsection (12) of that section is
 48 amended, to read:

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551.102 Definitions.--As used in this chapter, the term:
(6) "Nonredeemable credits" means slot machine operating
credits that cannot be redeemed for cash or any other thing of
value by a slot machine, kiosk, or the slot machine licensee and
that are provided free of charge to patrons. Such credits do not
constitute "nonredeemable credits" until such time as they are
metered as credit into a slot machine and recorded in the
facility-based monitoring system.

57 (13)~~(12)~~ "Slot machine revenues" means the total of all
 58 cash and property, except nonredeemable credits, received by the
 59 slot machine licensee from the operation of slot machines less
 60 the amount of cash, cash equivalents, credits, and prizes paid
 61 to winners of slot machine gaming.

62 Section 2. Paragraph (f) of subsection (1) of section
 63 551.103, Florida Statutes, is amended, and paragraph (j) is
 64 added to that subsection, to read:

65 551.103 Powers and duties of the division and law
 66 enforcement.--

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

71 (f) Procedures for requiring each licensee at his or her
 72 own cost and expense to supply the division with a bond having
 73 the penal sum of \$2 million payable to the Governor and his or
 74 her successors in office for each year of the licensee's ~~first~~
 75 ~~year of~~ slot machine operations. ~~Annually thereafter, the~~
 76 ~~licensee shall file a bond having a penal sum that is determined~~
 77 ~~each year by the division pursuant to rules adopted by the~~
 78 ~~division and that approximates the anticipated state revenues~~
 79 ~~from the licensee's slot machine operation; however, the bond~~
 80 ~~may not in any case be less than \$2 million.~~ Any bond shall be
 81 issued by a surety or sureties approved by the division and the
 82 Chief Financial Officer, conditioned to faithfully make the
 83 payments to the Chief Financial Officer in his or her capacity
 84 as treasurer of the division. The licensee shall be required to

85 | keep its books and records and make reports as provided in this
 86 | chapter and to conduct its slot machine operations in conformity
 87 | with this chapter and all other provisions of law. Such bond
 88 | shall be separate and distinct from the bond required in s.
 89 | 550.125.

90 | (j) Procedures for requiring slot machine licensees to
 91 | implement and establish drug-testing programs for all slot
 92 | machine occupational licensees.

93 | Section 3. Paragraph (i) of subsection (4) of section
 94 | 551.104, Florida Statutes, is amended to read:

95 | 551.104 License to conduct slot machine gaming.--

96 | (4) As a condition of licensure and to maintain continued
 97 | authority for the conduct of slot machine gaming, the slot
 98 | machine licensee shall:

99 | (i) Create and file with the division a written policy
 100 | for:

101 | 1. Creating opportunities to purchase from vendors in this
 102 | state, including minority vendors.

103 | 2. Creating opportunities for employment of residents of
 104 | this state, including minority residents.

105 | 3. Ensuring opportunities for construction services from
 106 | minority contractors.

107 | 4. Ensuring that opportunities for employment are offered
 108 | on an equal, nondiscriminatory basis.

109 | 5. Training for employees on responsible gaming and
 110 | working with a compulsive or addictive gambling prevention
 111 | program to further its purposes as provided for in s. 551.118.

112 | 6. The implementation of a drug-testing program that

113 includes, but is not limited to, requiring each employee to sign
 114 an agreement that he or she understands that the slot machine
 115 facility is a drug-free workplace.

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 117 The slot machine licensee shall use the Internet-based job-
 118 listing system of the Agency for Workforce Innovation in
 119 advertising employment opportunities. Beginning in June 2007,
 120 each slot machine licensee shall provide an annual report to the
 121 division containing information indicating compliance with this
 122 paragraph in regard to minority persons.

123 Section 4. Section 551.1045, Florida Statutes, is amended
 124 to read:

125 551.1045 Temporary licenses.--

126 (1) Notwithstanding any provision of s. 120.60 to the
 127 contrary, the division may issue a temporary occupational
 128 license upon the receipt of a complete application from the
 129 applicant and a determination that the applicant has not been
 130 convicted of or had adjudication withheld on any disqualifying
 131 criminal offense. The temporary occupational license remains
 132 valid until such time as the division grants an occupational
 133 license or notifies the applicant of its intended decision to
 134 deny the applicant a license pursuant to the provisions of s.
 135 120.60. The division shall adopt rules to administer this
 136 subsection. However, not more than one temporary license may be
 137 issued for any person in any year.

138 ~~(1) (a) After 180 days following the effective date of this~~
 139 ~~act, if the division has not adopted rules to implement the~~
 140 ~~provisions of this chapter that allow for the issuance of slot~~

141 ~~machine licenses within such 180 days, the division shall issue~~
142 ~~a temporary slot machine license to an applicant if the~~
143 ~~applicant holds a valid pari-mutuel permit in good standing~~
144 ~~under chapter 550, the applicant's ownership interests have been~~
145 ~~previously approved as provided in chapter 550, and the~~
146 ~~applicant has conducted live racing or games during the calendar~~
147 ~~years 2002 and 2003 and has paid the license fee provided in s.~~
148 ~~551.106(1). The slot machine license will permit the licensee to~~
149 ~~conduct slot machine gaming in the designated slot machine~~
150 ~~gaming areas of the eligible facility.~~

151 ~~(b) The temporary license is valid until the division has~~
152 ~~adopted rules implementing the provisions of this chapter and~~
153 ~~taken final action on the filed application under its final~~
154 ~~adopted rules. Once the division has adopted rules implementing~~
155 ~~the provisions of this chapter, it shall complete review of any~~
156 ~~filed application and shall issue a license under s. 551.104 if~~
157 ~~the licensee meets the requirements of this chapter and rules~~
158 ~~adopted by the division.~~

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

164 ~~(b) The temporary license is valid until the division has~~
165 ~~adopted rules implementing the provisions of this chapter and~~
166 ~~taken final action on the filed application under its final~~
167 ~~adopted rules. Once the division has adopted rules implementing~~
168 ~~the provisions of this chapter, it shall complete review of any~~

169 ~~filed application and shall issue a license under s. 551.107 if~~
170 ~~the licensee meets the requirements of this chapter and rules~~
171 ~~adopted by the division.~~

172 ~~(2)(3) A temporary license issued under this section is~~
173 ~~nontransferable. Any temporary license issued under this section~~
174 ~~shall be valid during the pendency of any challenge to the~~
175 ~~rules.~~

176 Section 5. Paragraph (a) of subsection (1) of section
177 551.106, Florida Statutes, is amended to read:

178 551.106 License fee; tax rate; penalties.--

179 (1) LICENSE FEE.--

180 (a) Upon submission of the initial application for a slot
181 machine license and annually thereafter, on the anniversary date
182 of the issuance of the initial license ~~upon submission of an~~
183 ~~application for renewal of the slot machine license~~, the
184 licensee must pay to the division a nonrefundable license fee of
185 \$3 million for the succeeding 12 months of licensure. The
186 license fee shall be deposited into the Pari-mutuel Wagering
187 Trust Fund of the Department of Business and Professional
188 Regulation to be used by the division and the Department of Law
189 Enforcement for investigations, regulation of slot machine
190 gaming, and enforcement of slot machine gaming provisions under
191 this chapter. These payments shall be accounted for separately
192 from taxes or fees paid pursuant to the provisions of chapter
193 550.

194 Section 6. Subsection (2) and paragraph (b) of subsection
195 (4) of section 551.107, Florida Statutes, are amended, and
196 subsections (9), (10), and (11) are added to that section, to

197 read:

198 551.107 Slot machine occupational license; findings;
 199 application; fee.--

200 (2) (a) The following slot machine occupational licenses
 201 shall be issued to persons or entities that, by virtue of the
 202 positions they hold, might be granted access to slot machine
 203 gaming areas or to any other person or entity in one of the
 204 following categories:

205 1. General occupational licenses for general employees,
 206 including food service, maintenance, and other similar service
 207 and support employees having access to the slot machine gaming
 208 area.

209 2. Professional occupational licenses for any person,
 210 proprietorship, partnership, corporation, or other entity that
 211 is authorized by a slot machine licensee to manage, oversee, or
 212 otherwise control daily operations as a slot machine manager, a
 213 floor supervisor, security personnel, or any other similar
 214 position of oversight of gaming operations, or any person who is
 215 not an employee of the slot machine licensee and who provides
 216 maintenance, repair, or upgrades or otherwise services a slot
 217 machine or other slot machine equipment.

218 3. Business occupational licenses for any slot machine
 219 management company or company associated with slot machine
 220 gaming, any person who manufactures, distributes, or sells slot
 221 machines, slot machine paraphernalia, or other associated
 222 equipment to slot machine licensees, or any company that sells
 223 or provides goods or services associated with slot machine
 224 gaming to slot machine licensees, ~~or any person not an employee~~

225 ~~of the slot machine licensee who provides maintenance, repair,~~
 226 ~~or upgrades or otherwise services a slot machine or other slot~~
 227 ~~machine equipment.~~

228 (b) The division may issue one license to combine licenses
 229 under this section with pari-mutuel occupational licenses and
 230 cardroom licenses pursuant to s. 550.105(2) (b). The division
 231 shall adopt rules pertaining to occupational licenses under this
 232 subsection. Such rules may specify, but need not be limited to,
 233 requirements and restrictions for licensed occupations and
 234 categories, procedures to apply for any license or combination
 235 of licenses, disqualifying criminal offenses for a licensed
 236 occupation or categories of occupations, and which types of
 237 occupational licenses may be combined into a single license
 238 under this section. The fingerprinting requirements of
 239 subsection (7) apply to any combination license that includes
 240 slot machine license privileges under this section. The division
 241 may not adopt a rule allowing the issuance of an occupational
 242 license to any person who does not meet the minimum background
 243 qualifications under this section.

244 ~~(b) Notwithstanding any provision of law to the contrary,~~
 245 ~~a pari-mutuel occupational licensee holding a currently valid~~
 246 ~~pari-mutuel occupational license is eligible to act as a slot~~
 247 ~~machine occupational licensee upon the effective date of this~~
 248 ~~act until such time as rules have been adopted and such pari-~~
 249 ~~mutuel occupational licensee has been provided a reasonable~~
 250 ~~opportunity to comply with the rules.~~

251 (c) Slot machine occupational licenses are not
 252 transferable.

253 (4)

254 (b) A slot machine license or combination license is valid
 255 for the same term as a pari-mutuel occupational license issued
 256 pursuant to s. 550.105(1). ~~The division shall establish, by~~
 257 ~~rule, a schedule for the annual renewal of slot machine~~
 258 ~~occupational licenses.~~

259 (9) The division may deny, revoke, or suspend any
 260 occupational license if the applicant or holder of the license
 261 accumulates unpaid obligations, defaults in obligations, or
 262 issues drafts or checks that are dishonored or for which payment
 263 is refused without reasonable cause.

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

268 (11) The division may impose a civil fine of up to \$5,000
 269 for each violation of this chapter or the rules of the division
 270 in addition to or in lieu of any other penalty provided for in
 271 this section. The division may adopt a penalty schedule for
 272 violations of this chapter or any rule adopted pursuant to this
 273 chapter for which it would impose a fine in lieu of a suspension
 274 and adopt rules allowing for the issuance of citations,
 275 including procedures to address such citations, to persons who
 276 violate such rules. In addition to any other penalty provided by
 277 law, the division may exclude from all licensed slot machine
 278 facilities in this state, for a period not to exceed the period
 279 of suspension, revocation, or ineligibility, any person whose
 280 occupational license application has been declared ineligible to

281 hold an occupational license or whose occupational license has
282 been suspended or revoked by the division.

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

285 551.109 Prohibited acts; penalties.--

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

293 (a) Slot machine manufacturers or slot machine
294 distributors that hold appropriate licenses issued by the
295 division who are authorized to maintain a slot machine storage
296 and maintenance facility at any location in a county in which
297 slot machine gaming is authorized by this chapter. The division
298 may adopt rules regarding security and access to the storage
299 facility and inspections by the division.

300 (b) Certified educational facilities that are authorized
301 to maintain slot machines for the sole purpose of education and
302 licensure, if any, of slot machine technicians, inspectors, or
303 investigators. The division and the Department of Law
304 Enforcement may possess slot machines for training and testing
305 purposes. The division may adopt rules regarding the regulation
306 of any such slot machines used for educational, training, or
307 testing purposes.

308 Section 8. Subsection (1) of section 551.114, Florida

309 Statutes, is amended to read:

310 551.114 Slot machine gaming areas.--

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

314 Section 9. Section 551.116, Florida Statutes, is amended
 315 to read:

316 551.116 Days and hours of operation.--Slot machine gaming
 317 areas may be open daily throughout the year. The slot machine
 318 gaming areas may be open a cumulative amount of 18 hours per day
 319 on Monday through Friday and 24 ~~for a maximum of 16~~ hours per
 320 day on Saturday and Sunday and on those holidays specified in s.
 321 110.117(1).

322 Section 10. Section 551.121, Florida Statutes, is amended
 323 to read:

324 551.121 Prohibited activities and devices; exceptions.--

325 (1) Complimentary or reduced-cost alcoholic beverages may
 326 not be served to persons playing a slot machine. Alcoholic
 327 beverages served to persons playing a slot machine shall cost at
 328 least the same amount as alcoholic beverages served to the
 329 general public at a bar within the facility.

330 (2) A slot machine licensee may not make any loan, provide
 331 credit, or advance cash in order to enable a person to play a
 332 slot machine. This subsection shall not prohibit automated
 333 ticket redemption machines that dispense cash resulting from the
 334 redemption of tickets from being located in the designated slot
 335 machine gaming area of the slot machine licensee.

336 (3) A slot machine licensee may not allow any automated

337 teller machine or similar device designed to provide credit or
 338 dispense cash to be located within the designated slot machine
 339 gaming areas of a facility of a ~~facilities of the~~ slot machine
 340 licensee.

341 (4) A slot machine licensee may not accept or cash any
 342 personal, third-party, corporate, business, or government-issued
 343 check from any person within the designated slot machine gaming
 344 areas of a facility of a slot machine licensee.

345 (5) A slot machine, or the computer operating system
 346 linking the slot machine, may ~~not~~ be linked by any means to any
 347 other slot machine or computer operating system within the
 348 facility of a ~~another~~ slot machine licensee. A progressive
 349 system may not be used in conjunction with slot machines ~~within~~
 350 ~~or~~ between licensed facilities.

351 (6) A slot machine located within a licensed facility
 352 shall accept only tickets or paper currency or an electronic
 353 payment system for wagering and return or deliver payouts to the
 354 player in the form of tickets that may be exchanged for cash,
 355 merchandise, or other items of value. The use of coins, credit
 356 or debit cards, tokens, or similar objects is specifically
 357 prohibited. However, an electronic credit system may be used for
 358 receiving wagers and making payouts.

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

361 849.15 Manufacture, sale, possession, etc., of coin-
 362 operated devices prohibited.--

363 (2) Pursuant to section 2 of that chapter of the Congress
 364 of the United States entitled "An act to prohibit transportation

365 of gaming devices in interstate and foreign commerce," approved
 366 January 2, 1951, being ch. 1194, 64 Stat. 1134, and also
 367 designated as 15 U.S.C. ss. 1171-1177, the State of Florida,
 368 acting by and through the duly elected and qualified members of
 369 its Legislature, does hereby in this section, and in accordance
 370 with and in compliance with the provisions of section 2 of such
 371 chapter of Congress, declare and proclaim that any county of the
 372 State of Florida within which slot machine gaming is authorized
 373 pursuant to chapter 551 is exempt from the provisions of section
 374 2 of that chapter of the Congress of the United States entitled
 375 "An act to prohibit transportation of gaming devices in
 376 interstate and foreign commerce," designated as 15 U.S.C. ss.
 377 1171-1177, approved January 2, 1951. All shipments of gaming
 378 devices, including slot machines, into any county of this state
 379 within which slot machine gaming is authorized pursuant to
 380 chapter 551 and the registering, recording, and labeling of
 381 which have been duly performed by the manufacturer or
 382 distributor thereof in accordance with sections 3 and 4 of that
 383 chapter of the Congress of the United States entitled "An act to
 384 prohibit transportation of gaming devices in interstate and
 385 foreign commerce," approved January 2, 1951, being ch. 1194, 64
 386 Stat. 1134, and also designated as 15 U.S.C. ss. 1171-1177,
 387 shall be deemed legal shipments thereof into this state ~~any such~~
 388 ~~county~~ provided the destination of such shipments is an eligible
 389 facility as defined in s. 551.102 or the facility of a slot
 390 machine manufacturer or slot machine distributor as provided in
 391 s. 551.109(2)(a).

392 Section 12. For fiscal year 2007-2008, three full-time

393 equivalent positions and 125,907 in associated salary rate are
394 authorized, and the sums of \$197,369 in recurring funds and
395 \$44,178 in nonrecurring funds from the Pari-mutuel Wagering
396 Trust Fund of the Department of Business and Professional
397 Regulation are appropriated to the Office of the State Attorney,
398 17th Judicial Circuit, for the purpose of investigating and
399 prosecuting offenses associated with gaming operations.

400 Section 13. This act shall take effect upon becoming a
401 law.