

## ENROLLED

CS/HB 1047, Engrossed 2

2007 Legislature

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

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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.

41

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

43

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:

49 551.102 Definitions.--As used in this chapter, the term:

50 (6) "Nonredeemable credits" means slot machine operating  
 51 credits that cannot be redeemed for cash or any other thing of  
 52 value by a slot machine, kiosk, or the slot machine licensee and  
 53 that are provided free of charge to patrons. Such credits do not  
 54 constitute "nonredeemable credits" until such time as they are  
 55 metered as credit into a slot machine and recorded in the  
 56 facility-based monitoring system.

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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

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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

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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.

116  
 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~~

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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~~

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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

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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~~



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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.

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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

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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

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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

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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) 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 (b) Except as provided in paragraph (c) for employees of  
 346 the facility, a slot machine licensee or operator shall not  
 347 accept or cash for any person within the property of the  
 348 facility any government-issued check, third party check, or  
 349 payroll check made payable to an individual.

350 (c) Outside the designated slot machine gaming areas, a  
 351 slot machine licensee or operator may accept or cash a check for  
 352 an employee of the facility who is prohibited from wagering on a  
 353 slot machine under s. 551.108(5), a check made directly payable  
 354 to a person licensed by the division, or a check made directly  
 355 payable to the slot machine licensee or operator from:

- 356 1. A pari-mutuel patron; or
- 357 2. A pari-mutuel facility in this state or in another  
 358 state.

359 (d) Unless accepting or cashing a check is prohibited by  
 360 this subsection, nothing shall prohibit a slot machine licensee  
 361 or operator from accepting and depositing in its accounts checks  
 362 received in the normal course of business.

363 (5) A slot machine, or the computer operating system  
 364 linking the slot machine, may ~~not~~ be linked by any means to any

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365 other slot machine or computer operating system within the  
 366 facility of a ~~another~~ slot machine licensee. A progressive  
 367 system may not be used in conjunction with slot machines ~~withi~~  
 368 ~~er~~ between licensed facilities.

369 (6) A slot machine located within a licensed facility  
 370 shall accept only tickets or paper currency or an electronic  
 371 payment system for wagering and return or deliver payouts to the  
 372 player in the form of tickets that may be exchanged for cash,  
 373 merchandise, or other items of value. The use of coins, credit  
 374 or debit cards, tokens, or similar objects is specifically  
 375 prohibited. However, an electronic credit system may be used for  
 376 receiving wagers and making payouts.

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

379 849.15 Manufacture, sale, possession, etc., of coin-  
 380 operated devices prohibited.--

381 (2) Pursuant to section 2 of that chapter of the Congress  
 382 of the United States entitled "An act to prohibit transportation  
 383 of gaming devices in interstate and foreign commerce," approved  
 384 January 2, 1951, being ch. 1194, 64 Stat. 1134, and also  
 385 designated as 15 U.S.C. ss. 1171-1177, the State of Florida,  
 386 acting by and through the duly elected and qualified members of  
 387 its Legislature, does hereby in this section, and in accordance  
 388 with and in compliance with the provisions of section 2 of such  
 389 chapter of Congress, declare and proclaim that any county of the  
 390 State of Florida within which slot machine gaming is authorized  
 391 pursuant to chapter 551 is exempt from the provisions of section  
 392 2 of that chapter of the Congress of the United States entitled

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393 "An act to prohibit transportation of gaming devices in  
 394 interstate and foreign commerce," designated as 15 U.S.C. ss.  
 395 1171-1177, approved January 2, 1951. All shipments of gaming  
 396 devices, including slot machines, into any county of this state  
 397 within which slot machine gaming is authorized pursuant to  
 398 chapter 551 and the registering, recording, and labeling of  
 399 which have been duly performed by the manufacturer or  
 400 distributor thereof in accordance with sections 3 and 4 of that  
 401 chapter of the Congress of the United States entitled "An act to  
 402 prohibit transportation of gaming devices in interstate and  
 403 foreign commerce," approved January 2, 1951, being ch. 1194, 64  
 404 Stat. 1134, and also designated as 15 U.S.C. ss. 1171-1177,  
 405 shall be deemed legal shipments thereof into this state ~~any such~~  
 406 ~~county~~ provided the destination of such shipments is an eligible  
 407 facility as defined in s. 551.102 or the facility of a slot  
 408 machine manufacturer or slot machine distributor as provided in  
 409 s. 551.109(2) (a).

410 Section 12. For fiscal year 2007-2008, three full-time  
 411 equivalent positions and 125,907 in associated salary rate are  
 412 authorized, and the sums of \$197,369 in recurring funds and  
 413 \$44,178 in nonrecurring funds from the Pari-mutuel Wagering  
 414 Trust Fund of the Department of Business and Professional  
 415 Regulation are appropriated to the Office of the State Attorney,  
 416 17th Judicial Circuit, for the purpose of investigating and  
 417 prosecuting offenses associated with gaming operations.

418 Section 13. This act shall take effect upon becoming a  
 419 law.