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1 A bill to be entitled
2 An act relating to video lotteries; amending s. 24.103,
3 F.S.; providing definitions; amending s. 24.105, F.S.;
4 providing powers and duties of the Department of the
5 Lottery pertaining to video lottery games; creating s.
6 24.125, F.S.; providing for the adoption of rules;
7 creating s. 24.126, F.S.; prohibiting certain persons from
8 playing video lottery games; creating s. 24.127, F.S.;
9 providing requirements for the operation of video lottery
10 games; providing for fines and orders of suspension;
11 providing a payout percentage; providing for the
12 distribution of income; providing for weekly allocations;
13 providing penalties; creating s. 24.128, F.S.; providing
14 for the licensure of video lottery terminal vendors;
15 providing for emergency rules; creating s. 24.129, F.S.;
16 prohibiting certain local zoning ordinances; creating s.
17 24.130, F.S.; providing requirements for video lottery
18 terminals; creating s. 24.131, F.S.; requiring video
19 lottery terminal vendors to establish training programs
20 for employees who service such terminals; requiring
21 departmental approval of such programs; providing
22 certification requirements for such employees; providing
23 for the adoption of rules; creating s. 24.132, F.S.;
24 requiring video lottery retailers to execute agreements
25 with certain horsemen's and breeders' associations;
26 requiring the remittance of funds pursuant to such
27 agreements; authorizing the department to sanction certain
28 breeders; creating s. 24.133, F.S.; requiring operators of

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29 facilities where video lottery games are conducted to post
30 certain signs regarding compulsive gambling; creating s.
31 24.134, F.S.; establishing programs for compulsive
32 gambling within the Department of Children and Family
33 Services; creating s. 24.136, F.S.; authorizing a
34 caterer's license for video lottery retailers; creating s.
35 24.137, F.S.; prohibiting video lottery retailers from
36 engaging in certain activities; creating s. 24.138, F.S.;
37 providing for the exclusion of certain persons from a
38 retailer's premises; creating s. 24.139, F.S.; requiring
39 retailers to provide office space for department
40 employees; amending s. 212.02, F.S.; excluding video
41 lottery terminals from the definition of the term "coin-
42 operated amusement machine" for purposes of the sales and
43 use tax; providing an effective date.

44
45 Be It Enacted by the Legislature of the State of Florida:

46
47 Section 1. Subsections (7), (8), (9), (10), and (11) are
48 added to section 24.103, Florida Statutes, to read:

49 24.103 Definitions.--As used in this act:

50 (7) "Video lottery game" means an electronically simulated
51 game involving any element of chance, skill, or both, played on
52 a video lottery terminal that, upon insertion of currency,
53 coins, tokens, credits, vouchers, or anything of value, is
54 available to play or simulate a lottery-type game. The games
55 include, but are not limited to, lineup games, traditional card
56 games, poker, and progressive games where the jackpot grows and

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57 accumulates as it is being played in a video lottery terminal,
58 or network of video lottery terminals, using a cathode ray tube,
59 video display screen, microprocessors, or other similar
60 technology available now or in the future, as approved by the
61 department. A player may receive a payoff in the form of
62 currency, coins, tokens, credits, vouchers, or anything of
63 value, automatically or in some other manner.

64 (8) "Video lottery terminal" means a machine or device,
65 including associated equipment that is required to operate the
66 machine or device upon which a video lottery game is played or
67 operated. A video lottery terminal may use spinning reels or
68 video displays or other similar technology available now or in
69 the future, as approved by the department.

70 (9) "Video lottery terminal vendor" means any person
71 licensed by the department who engages in the business of
72 selling, leasing, servicing, repairing, or upgrading video
73 lottery terminals for video lottery retailers or who provides to
74 the department or to a video lottery retailer computer
75 equipment, software, or other functions related to video lottery
76 terminals.

77 (10) "Net terminal income" means currency and other
78 consideration placed into a video lottery terminal, less payouts
79 to or credits redeemed by players.

80 (11) "Video lottery retailer" means a pari-mutuel
81 permitholder under chapter 550 who:

82 (a) Conducted a full schedule of live races or games, as
83 described in ss. 550.002(11) and 550.475 between July 1, 2004,
84 and June 30, 2005, and between July 1, 2005, and June 30, 2006;

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85 or

86 (b) Is authorized to receive broadcasts of horse races
87 under s. 550.6308.

88 Section 2. Subsections (21), (22), (23), (24), (25), and
89 (26) are added to section 24.105, Florida Statutes, to read:

90 24.105 Powers and duties of department.--The department
91 shall:

92 (21) Have in place the capacity to support video lottery
93 games at facilities of video lottery retailers by October 1,
94 2007.

95 (22) Hear and decide promptly and in reasonable order all
96 video-lottery-related license applications and enforcement
97 proceedings for suspension or revocation of licenses.

98 (23) Collect and disburse video lottery revenue due the
99 department as described in this chapter.

100 (24) Certify net terminal income of video lottery
101 retailers by inspecting records, conducting audits, or any other
102 reasonable means.

103 (25) Maintain a list of licensed video lottery terminal
104 vendors and a current list of all contracts between video
105 lottery terminal vendors and video lottery retailers.

106 (26) Approve an application for a video lottery retailer
107 within 90 days after receipt of the application. Any person
108 holding a pari-mutuel permit meets all qualifications of
109 licensure under this section if the person has been licensed
110 pursuant to chapter 550, meets the definition of a video lottery
111 retailer under s. 24.103(11), and has paid the fee required in
112 subsection (27).

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113 Section 3. Section 24.125, Florida Statutes, is created to
114 read:

115 24.125 Rules authorized.--

116 (1) The department may adopt rules similar to rules
117 adopted under chapter 551, relating to:

118 (a) The regulation of video lottery retailers and video
119 lottery products.

120 (b) Specifications for video lottery terminals to be
121 approved and authorized as the department considers necessary in
122 order to maintain the integrity of video lottery games and
123 terminals. The specifications may not limit the number of video
124 lottery terminal vendors who supply terminals to fewer than
125 four.

126 (2) Initial rules to permit the operation of video
127 lotteries and the licensing of video lottery vendors shall be
128 adopted by October 1, 2007. The department may adopt emergency
129 rules under ss. 120.536(1) and 120.54(4) to implement this
130 section.

131 Section 4. Section 24.126, Florida Statutes, is created to
132 read:

133 24.126 Video lottery; minimum age.--

134 (1) A person who is younger than 21 years of age may not
135 play a video lottery game.

136 (2) Each video lottery retailer shall post a clear and
137 conspicuous sign on all video lottery terminals which states:

138
139 THE USE OF A VIDEO LOTTERY TERMINAL BY PERSONS UNDER THE
140 AGE OF 18 IS AGAINST FLORIDA LAW. PROOF OF AGE IS REQUIRED

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141 FOR USE.

142
143 (3) Any person who violates this section commits a
144 misdemeanor of the second degree, punishable as provided in s.
145 775.082 or s. 775.083.

146 Section 5. Section 24.127, Florida Statutes, is created to
147 read:

148 24.127 Video lottery games.--

149 (1) Video lottery games may be offered by a video lottery
150 retailer only at its pari-mutuel facility at any time. During
151 any calendar year in which a video lottery retailer maintains
152 video lottery terminals, the retailer must have conducted in the
153 prior year and must be currently licensed to conduct a full
154 schedule of live racing or games, as defined in s. 550.002(11),
155 including the conduct of races or games under s. 550.475, or be
156 authorized to receive broadcasts of horse races under s.
157 550.6308. The department shall waive such requirements upon a
158 showing that the failure to conduct races or games resulted from
159 a natural disaster, strike, or other acts beyond the control of
160 the permitholder, including legal restrictions or prohibitions
161 placed on the permitholder's activities. If the retailer for any
162 other reason does not comply with the requirement to conduct a
163 full schedule of races or games, the department shall order the
164 retailer to suspend its video lottery operation. The department
165 may assess an administrative fine, not to exceed \$5,000 per
166 video lottery terminal per day, against any retailer who does
167 not suspend its video lottery operation when ordered to do so by
168 the department. The department may enforce a suspension order or

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169 administrative fine as provided in s. 120.69. Each video lottery
170 retailer shall post a bond payable to the state in an amount
171 determined by the department which is sufficient to guarantee
172 the payment of revenue due in any payment period. The initial
173 bond prior to commencement of operations by the video lottery
174 retailer shall be \$2 million, issued by a surety approved by the
175 department, conditioned to make the payments to the department.
176 The bond shall be separate from the bond required by s. 550.125.

177 (2) Each video lottery terminal retailer shall determine
178 the following pertaining to the video lottery terminals located
179 on its premises:

180 (a) Number of video lottery terminals, not to exceed
181 1,500;

182 (b) Dates and hours during which the video lottery
183 terminals are available for play, not to exceed 16 hours a day,
184 except if the board of county commissioners of the county where
185 the retailer is located authorizes additional hours for play;

186 (c) Mix of games available for play on video lottery
187 terminals;

188 (d) Use of currency, coins, tokens, vouchers, electronic
189 credits, or anything of value;

190 (e) Location and movement of video lottery terminals on
191 the premises;

192 (f) Staffing of video lottery terminal operations on the
193 premises; and

194 (g) Minimum and maximum betting amounts and the payout,
195 based upon a suitable range, as determined by the video lottery
196 retailer, with a minimum of 85 percent of the amount of

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197 currency, credits, vouchers, or anything of value put into a
198 video lottery terminal.

199 (3) Each video lottery terminal retailer shall notify the
200 department before commencing the initial operation of the video
201 lottery games.

202 (4) To facilitate the auditing and security programs that
203 are critical to the integrity of the video lottery system, the
204 department has overall control of the entire system. Each video
205 lottery terminal shall be linked, directly or indirectly, to a
206 computer system approved by the department.

207 (5) Video lottery games may be played at an authorized
208 video lottery retailer's facility regardless of whether the
209 retailer is conducting a pari-mutuel event.

210 (6) Income derived from video lottery operations is not
211 subject to s. 24.121. The allocation of net terminal income
212 derived from video lottery games shall be as follows:

213 (a) Fifty percent shall be remitted to the Video Lottery
214 Administration Trust Fund for transfer to the Education
215 Enhancement Trust Fund.

216 (b) Fifty-hundredths percent shall be paid by the video
217 lottery retailer to the department to administer and regulate
218 the operation of video lottery terminals.

219 (7) The allocation provided in subsection (6) shall be
220 made weekly. Amounts allocated pursuant to paragraphs (6)(a) and
221 (b) shall be remitted to the department by electronic transfer
222 within 24 hours after the allocation is determined.

223 (8) Any person who intentionally manipulates or attempts
224 to manipulate the outcome, payoff, or operation of a video

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225 lottery terminal by physical or electronic tampering or other
 226 means commits a felony of the third degree, punishable as
 227 provided in s. 775.082, s. 775.083, or s. 775.084.

228 (9) Notwithstanding s. 24.115, each video lottery retailer
 229 is responsible for payment of video lottery prizes.

230 (10) In the area or room in a facility in which a video
 231 lottery terminal is placed, the video lottery retailer shall
 232 also place video monitors displaying live races or games being
 233 conducted in that facility. If live races or games are not being
 234 conducted at the facility, any simulcast races or games that are
 235 displayed otherwise in the facility shall be displayed. In each
 236 area or room, the retailer shall also provide a means by which
 237 patrons may wager on pari-mutuel activity.

238 Section 6. Section 24.128, Florida Statutes, is created to
 239 read:

240 24.128 Licensure of video lottery terminal vendors.--Video
 241 lottery terminal vendors shall be licensed by the department by
 242 July 1, 2007. The department may adopt emergency rules under ss.
 243 120.536(1) and 120.54(4) to implement this section. The
 244 department may not license a person as a video lottery terminal
 245 vendor who has an interest in a video lottery retailer or a
 246 business relationship with a video lottery retailer other than
 247 as a vendor or lessor of video lottery terminals.

248 Section 7. Section 24.129, Florida Statutes, is created to
 249 read:

250 24.129 Local zoning of pari-mutuel facilities.--The
 251 installation, operation, or use of a video lottery on any
 252 property where pari-mutuel operations were or would have been

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253 lawful under any county or municipal zoning ordinance on July 1,
254 2006, does not change the character of the use of such property.
255 Such use is lawful and consistent with pari-mutuel operations,
256 and such use or the expansion or construction of facilities to
257 accommodate video lottery terminals on the property is not
258 subject to review or approval under land use, zoning, or site
259 plan review, or concurrency law, ordinance, or regulation by any
260 governmental entity.

261 Section 8. Section 24.130, Florida Statutes, is created to
262 read:

263 24.130 Video lottery terminals.--

264 (1) Video lottery terminals may not be offered for use or
265 play in this state unless approved by the department.

266 (2) Each video lottery terminal approved for use in this
267 state shall:

268 (a) Be protected against manipulation to affect the random
269 probabilities of winning plays.

270 (b) Have one or more mechanisms that accept currency,
271 coins, tokens, vouchers, or anything of value in exchange for
272 game credits. Such mechanisms must be designed to prevent
273 players from obtaining currency, coins, tokens, vouchers, or
274 anything of value, or from obtaining game credits, by physical
275 tampering.

276 (c) Be capable of suspending play until reset at the
277 direction of the department as a result of physical tampering.

278 (d) Be capable of being linked to a central computer
279 communications system to audit the operation, financial data,
280 and program information, as required by the department.

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281 Section 9. Section 24.131, Florida Statutes, is created to
282 read:

283 24.131 Video lottery terminal training program.--

284 (1) Each licensed video lottery terminal vendor shall
285 submit a training program for the service and maintenance of
286 terminals and equipment for approval by the department. The
287 training program must include an outline of the training
288 curriculum; a list of instructors and their qualifications; a
289 copy of the instructional materials; and the dates, times, and
290 location of training classes. A service and maintenance program
291 may not be held unless approved by the department.

292 (2) Each video lottery terminal service employee must
293 complete the requirements of the manufacturer's training program
294 before performing service, maintenance, or repairs on video
295 lottery terminals or associated equipment. Upon the successful
296 completion of the training program by an employee, the
297 department shall issue a certificate authorizing the employee to
298 service, maintain, and repair video lottery terminals and
299 associated equipment. A certificate of completion may not be
300 issued to a person until the department determines that such
301 person has completed the required training. Before being
302 certified as a video lottery terminal service employee, a person
303 must pass a background investigation conducted by the
304 department. The department may revoke certification upon finding
305 that a person is in violation of this chapter or a department
306 rule.

307 (3) The department may adopt rules regarding the training,
308 qualifications, and certification of video lottery terminal

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309 service employees.

310 Section 10. Section 24.132, Florida Statutes, is created
311 to read:

312 24.132 Video lottery retailer; agreements required.--

313 (1) A video lottery retailer who holds a permit under
314 chapter 550 to conduct pari-mutuel wagering meets of
315 thoroughbred racing may not conduct video lottery games unless
316 the retailer has on file with the division a binding written
317 agreement between such retailer and the Florida Horsemen's
318 Benevolent and Protective Association, Inc., governing the
319 payment of purses on live thoroughbred races conducted at the
320 retailer's pari-mutuel facility. In addition, a video lottery
321 retailer may not conduct video lottery games unless it has on
322 file with the department a binding written agreement between it
323 and the Florida Thoroughbred Breeders' Association, Inc.,
324 governing the payment of breeders', stallion, and special racing
325 awards on live thoroughbred races conducted at the retailer's
326 pari-mutuel facility.

327 (a) The agreement governing purses and the agreement
328 governing awards may direct the payment of such purses and
329 awards from revenues generated by any wagering or gaming the
330 applicant is authorized to conduct.

331 (b) All purses and awards are subject to chapter 550. All
332 sums for breeders', stallion, and special racing awards shall be
333 remitted monthly to the Florida Thoroughbred Breeders'
334 Association, Inc., for the payment of awards subject to the
335 administrative fee authorized in s. 550.2625(3).

336 (2) The department shall prohibit the operation of video

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337 lottery games at a retailer's premises if any agreement required
338 under subsection (1) is terminated or otherwise ceases to
339 operate or if the department determines that the retailer has
340 materially failed to comply with the terms of an agreement.

341 Section 11. Section 24.133, Florida Statutes, is created
342 to read:

343 24.133 Notice of availability of assistance for compulsive
344 gambling required.--

345 (1) The owner of each facility at which video lottery
346 games are conducted shall post signs that display the following
347 statement:

348
349 "IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM, HELP
350 IS AVAILABLE, CALL 1-800-426-7711."

351
352 (2) The department may approve additional toll-free
353 numbers to ensure compliance with this section. The signs must
354 be posted within 50 feet of each entrance.

355 Section 12. Section 24.134, Florida Statutes, is created
356 to read:

357 24.134 Compulsive gambling program.--The Mental Health
358 Program Office within the Department of Children and Family
359 Services shall establish a program for public education,
360 awareness, and training regarding problem and compulsive
361 gambling and the treatment and prevention of problem and
362 compulsive gambling. The program shall include:

363 (1) Maintenance of a toll-free telephone number that is
364 operated by an advocacy organization for the treatment of

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365 compulsive gambling in order to provide crisis counseling and
366 referral services to families that are experiencing difficulty
367 as a result of problem or compulsive gambling.

368 (2) The promotion of public-awareness campaigns regarding
369 the recognition and prevention of problem or compulsive
370 gambling.

371 (3) Facilitation, through inservice training and other
372 means, of effective assistance programs for problem and
373 compulsive gamblers and family members who are affected by
374 problem and compulsive gambling.

375 (4) Studies to identify adults and juveniles in this state
376 who are, or are at risk of becoming, problem or compulsive
377 gamblers.

378 Section 13. Section 24.136, Florida Statutes, is created
379 to read:

380 24.136 Licensure of video lottery retailer.--A video
381 lottery retailer is entitled to a caterer's license pursuant to
382 s. 565.02 on days in which the pari-mutuel facility is open to
383 the public for video lottery play as authorized by this chapter.

384 Section 14. Section 24.137, Florida Statutes, is created
385 to read:

386 24.137 Other prohibited activities.--

387 (1) Complimentary or reduced-cost alcoholic beverages may
388 not be served to a person playing a video lottery terminal.
389 Alcoholic beverages served to a person playing a video lottery
390 terminal shall cost at least the same amount as alcoholic
391 beverages served to the general public at a bar within the
392 facility.

393 (2) A video lottery retailer may not allow any automated
 394 teller machine or similar device designated to provide credit or
 395 dispense cash in the designated area where video lottery
 396 terminal gaming may be conducted pursuant to this chapter nor
 397 may such retailer make loans, provide credit, or advance cash to
 398 enable a person to play a video lottery terminal. However,
 399 automated ticket redemption machines that dispense cash
 400 resulting from the redemption of tickets may be located in such
 401 areas.

402 (3) A video lottery retailer may not accept or cash any
 403 personal, third-party, corporate, business, or government-issued
 404 check from any person.

405 (4) A video lottery terminal located within a video
 406 lottery retailer's facility shall accept only tickets or paper
 407 currency or an electronic payment system for wagering, and
 408 return or deliver payouts to the player in the form of tickets
 409 that may be exchanged for cash, merchandise, or other items of
 410 value. The use of coins, credit or debit cards, tokens, or
 411 similar objects is prohibited. However, an electronic credit
 412 system may be used for receiving wagers and making payouts.

413 Section 15. Section 24.138, Florida Statutes, is created
 414 to read:

415 24.138 Exclusions of certain persons.--In addition to the
 416 power to exclude certain persons from any facility of a video
 417 lottery terminal retailer in this state, the department may
 418 exclude any person from any facility of a video lottery terminal
 419 retailer for conduct that would constitute, if the person were a
 420 licensee, a violation of this chapter, chapter 550 or chapter

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421 551, or a department rule. The department may exclude from any
 422 facility of a video lottery terminal retailer any person who has
 423 been ejected from a facility of a video lottery retailer or slot
 424 machine licensee in this or any other state by the governmental
 425 department, agency, commission or authority that regulates
 426 gaming in that state. This section does not abrogate the common
 427 law right of a video lottery terminal retailer to exclude a
 428 patron absolutely in this state.

429 Section 16. Section 24.139, Florida Statutes, is created
 430 to read:

431 24.139 Department office space.--A video lottery terminal
 432 retailer shall provide adequate office space at no cost to the
 433 department for the oversight of video lottery terminal
 434 operations. The department shall adopt rules establishing the
 435 criteria for adequate space, configuration, and needed
 436 electronic and technological requirements for office space
 437 required by this section.

438 Section 17. Subsection (24) of section 212.02, Florida
 439 Statutes, is amended to read:

440 212.02 Definitions.--The following terms and phrases when
 441 used in this chapter have the meanings ascribed to them in this
 442 section, except where the context clearly indicates a different
 443 meaning:

444 (24) "Coin-operated amusement machine" means any machine
 445 operated by coin, slug, token, coupon, or similar device for the
 446 purposes of entertainment or amusement. The term includes, but
 447 is not limited to, coin-operated pinball machines, music
 448 machines, juke boxes, mechanical games, video games, arcade

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449 | games, billiard tables, moving picture viewers, shooting
450 | galleries, and all other similar amusement devices. However, the
451 | term does not include a video lottery terminal operated pursuant
452 | to chapter 24.

453 | Section 18. This act shall take effect upon becoming a
454 | law.