

1 A bill to be entitled

2 An act relating to the Department of the Lottery and pari-
3 mutuel facilities; amending s. 24.103, F.S.; providing
4 definitions; amending s. 24.105, F.S.; authorizing the
5 department to hold patents; requiring that the department
6 notify the Department of State when the Department of the
7 Lottery secures property rights by patent, copyright, or
8 trademark; providing powers and duties of the Department
9 of the Lottery pertaining to video lottery games; creating
10 s. 24.125, F.S.; providing for the adoption of rules;
11 creating s. 24.126, F.S.; prohibiting certain persons from
12 playing video lottery games; requiring video lottery
13 retailers to post certain signage; providing penalties;
14 creating s. 24.127, F.S.; providing requirements for the
15 operation of video lottery games; providing for fines and
16 orders of suspension; requiring the video lottery retailer
17 to post bond; providing a payout percentage; providing for
18 licensure and a license fee; providing for the
19 distribution of net terminal income; providing for weekly
20 allocations; providing penalties; creating s. 24.128,
21 F.S.; providing for the licensure of video lottery
22 terminal vendors; providing for emergency rules; creating
23 s. 24.129, F.S.; providing that use or expansion of
24 property for video lottery terminals is not subject to
25 review or approval under land use, zoning, or site plan
26 review or concurrency law, ordinance, or regulation;
27 creating s. 24.130, F.S.; providing requirements for video
28 lottery terminals; creating s. 24.131, F.S.; requiring

29 video lottery terminal vendors to establish training
30 programs for employees who service such terminals;
31 requiring department approval of such programs; providing
32 certification requirements; providing for the adoption of
33 rules; creating s. 24.132, F.S.; requiring certain video
34 lottery retailers to execute certain agreements governing
35 the payment of purses and special thoroughbred racing
36 awards; requiring the remittance of funds pursuant to such
37 agreements; authorizing the department to sanction certain
38 breeders; prohibiting the operation of video lottery games
39 in the absence of agreements; requiring arbitration if
40 agreements are not in place; requiring certain video
41 lottery retailers to make certain payments for the
42 promotion of the thoroughbred racing industry; creating s.
43 24.133, F.S.; requiring operators of facilities where
44 video lottery games are conducted to post certain signs
45 regarding compulsive gambling; creating s. 24.134, F.S.;
46 providing for compulsive gambling programs; creating s.
47 24.136, F.S.; authorizing a caterer's license for video
48 lottery retailers; creating s. 24.137, F.S.; prohibiting
49 video lottery retailers from engaging in certain
50 activities; creating s. 24.138, F.S.; providing for the
51 exclusion of certain persons from a video lottery
52 retailer's premises; creating s. 24.139, F.S.; requiring
53 video lottery retailers to provide office space for
54 department employees; amending s. 212.02, F.S.; excluding
55 video lottery terminals from the definition of the term
56 "coin-operated amusement machine" for purposes of the

57 sales and use tax; amending s. 1011.62, F.S.; decreasing
58 the required local effort for school districts by certain
59 estimated revenues from video lottery terminals; amending
60 s. 550.09515, F.S.; providing for reissuance of a pari-
61 mutuel permit that has been revoked by the Division of
62 Pari-mutuel Wagering of the Department of Business and
63 Professional Regulation or has escheated to the state;
64 providing an appropriation and authorizing additional
65 positions; providing an effective date.

66
67 WHEREAS, the pari-mutuel industry has been a valuable part
68 of the Florida economy and a source of tax revenue for over 50
69 years, and

70 WHEREAS, the onset of tribal gaming has had a
71 disproportionate negative impact on revenues and taxes on the
72 pari-mutuel facilities located within their primary market area,
73 and

74 WHEREAS, the tribal casinos do not pay any tax to the state
75 in connection with their gaming operations, and the loss of
76 revenues to existing pari-mutuel facilities causes the state to
77 lose tax revenues, and

78 WHEREAS, the state, in order to maintain the revenues in
79 those areas directly affected, would allow those pari-mutuel
80 facilities to become "video lottery retailers" subject to the
81 requirements of this act, including the tax imposed on
82 operations which would benefit the state and its education
83 system, and

84 WHEREAS, the limited authorization of "video lottery
 85 retailers" at existing pari-mutuel facilities would ensure that
 86 the state would continue to recover taxes associated with pari-
 87 mutuel facilities that the state has enjoyed for over 50 years,
 88 NOW, THEREFORE,

89

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

91

92 Section 1. Subsections (7) through (11) are added to
 93 section 24.103, Florida Statutes, to read:

94 24.103 Definitions.--As used in this act:

95 (7) "Video lottery game" means an electronically simulated
 96 game involving chance, played on a video lottery terminal that,
 97 upon insertion of currency, coins, tokens, credits, vouchers, or
 98 anything of value, is available to play or simulate a bingo
 99 game. The game includes progressive games where the jackpot
 100 grows and accumulates as it is being played in a network of
 101 video lottery terminals within a single pari-mutuel facility,
 102 using a cathode ray tube, video display screen, microprocessors,
 103 or other similar technology available now or in the future, as
 104 approved by the department. A player may receive a payoff in the
 105 form of currency, coins, tokens, credits, vouchers, or anything
 106 of value, automatically or in some other manner.

107 (8) "Video lottery terminal" means a mechanical,
 108 electronic, computerized gaming device that is a technological
 109 aid to the playing of the game of bingo and that offers wagering
 110 on the game of bingo as defined in s. 849.0931 and is capable of
 111 being linked to a centralized computer management system for

112 regulating, managing, and auditing the operation, financial
113 data, and program information, as required by the department. A
114 video lottery terminal may be activated by insertion of a coin,
115 bill, ticket, token, or similar object or upon payment of any
116 consideration whatsoever, including the use of any electronic
117 payment system except a credit card or debit card, and may
118 entitle the person playing or operating the terminal to receive
119 or may deliver to the person cash, billets, tickets, tokens, or
120 electronic credits to be exchanged for cash. It is the intent of
121 the Legislature to authorize only those mechanical, electronic,
122 computerized, or other technological aids that a federal agency
123 or a court in a final, nonappealable order has concluded
124 expressly meet the definition of a mechanical, electronic,
125 computerized, or other technological aid to Class II gaming
126 pursuant to 25 U.S.C. s. 2703, the Indian Gaming Regulatory Act.
127 The Legislature does not intend to authorize any other gaming
128 device. For purposes of this subsection:

129 (a) "Electronic or electromechanical facsimile" means a
130 game played in an electronic or electromechanical format that
131 replicates a game of chance by incorporating all of the
132 characteristics of the game, except when, for bingo, the
133 electronic or electromechanical format broadens participation by
134 allowing multiple players to play with or against each other
135 rather than with or against a machine.

136 (b) "Mechanical, electronic, computerized, or other
137 technological aid" means any machine or device that assists a
138 player or the playing of a bingo game as defined in s. 849.0931
139 and broadens participation by allowing multiple players at one

140 video lottery facility to play with or against each other in a
 141 bingo game for a common prize or prizes. Such aid may use
 142 alternative displays, including, but not limited to, a
 143 simulation of spinning reels, to illustrate aspects of the game
 144 of bingo such as when a player joins the game or when prizes
 145 have been awarded, as long as such aid continuously and
 146 prominently displays the electronic bingo card so that it is
 147 apparent that the player is actually engaged in the play of
 148 bingo. Such aid shall not:

- 149 1. Determine or change the outcome of any game of bingo;
- 150 2. Be an electronic or electromechanical facsimile that
 151 replicates a game of bingo; or
- 152 3. Allow players to play with or against the machine or
 153 house for a prize.

154
 155 A video lottery terminal is not a coin-operated amusement
 156 machine as defined in s. 212.02(24) and does not include an
 157 amusement game or machine as described in s. 849.161.

158 (9) "Video lottery terminal vendor" means any person
 159 licensed by the department who is in the business of selling,
 160 leasing, servicing, repairing, or upgrading video lottery
 161 terminals for video lottery retailers or who provides to the
 162 department or to a video lottery retailer computer equipment,
 163 software, or other functions related to video lottery terminals.

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

167 (11) "Video lottery retailer" means a pari-mutuel

168 permitholder under chapter 550 who holds a license to conduct a
 169 full schedule of live racing or games, as described in s.
 170 550.002(11), whose facility is located within 40 miles of an
 171 operating tribal casino that was in existence on or before
 172 January 1, 2007, or whose facility is located within a county
 173 with a population exceeding 800,000 according to the November 1,
 174 2006, estimate of the Bureau of Economic and Business Research
 175 of the University of Florida.

176 Section 2. Subsection (10) of section 24.105, Florida
 177 Statutes, is amended, and subsections (21) through (27) are
 178 added to that section, to read:

179 24.105 Powers and duties of department.--The department
 180 shall:

181 (10) Notwithstanding the provisions of chapter 286, have
 182 the authority to hold patents, copyrights, trademarks, and
 183 service marks and enforce its rights with respect thereto. The
 184 department shall notify the Department of State in writing
 185 whenever property rights by patent, copyright, or trademark are
 186 secured by the department.

187 (21) Have the capacity to support video lottery games at
 188 facilities of video lottery retailers by January 1, 2008.

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

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

194 (24) Certify net terminal income of video lottery
 195 retailers by inspecting records or conducting audits or by any

196 other reasonable means.

197 (25) Maintain a list of licensed video lottery terminal
 198 vendors and a current list of all contracts between video
 199 lottery terminal vendors and video lottery retailers.

200 (26) Approve an application for a video lottery retailer
 201 within 90 days after receipt of the application. A person meets
 202 all qualifications of licensure under this section if the person
 203 has been licensed under chapter 550 and meets the definition of
 204 a video lottery retailer under s. 24.103(11).

205 (27) Adopt procedures by rule for scientifically testing
 206 and technically evaluating video lottery terminals for
 207 compliance with this chapter. The department may contract with
 208 an independent testing laboratory to scientifically test and
 209 technically evaluate video lottery games, video lottery
 210 terminals, and video lottery operating systems for compliance
 211 with this chapter. The independent testing laboratory must have
 212 a national reputation as demonstrably competent and qualified to
 213 scientifically test and evaluate all components of a video
 214 lottery gaming system and to otherwise perform all functions
 215 assigned to it under this chapter. The laboratory may not be
 216 owned or controlled by a video lottery terminal vendor or video
 217 lottery retailer. The selection of an independent testing
 218 laboratory shall be made from a list of one or more laboratories
 219 approved and licensed by the department.

220 Section 3. Section 24.125, Florida Statutes, is created to
 221 read:

222 24.125 Rules authorized.--

223 (1) The department may adopt rules similar to rules

224 adopted under chapter 551 relating to:

225 (a) The regulation of video lottery retailers, video
226 lottery terminal vendors, video lottery games, and video lottery
227 products.

228 (b) Specifications for approving and authorizing video
229 lottery terminals in order to maintain the integrity of video
230 lottery games and terminals. The specifications may not limit
231 the number of video lottery terminal vendors who supply
232 terminals to fewer than four.

233 (c) Hearing and approving or disapproving video-lottery-
234 related license applications, and enforcement procedures related
235 to suspension and revocation of licenses.

236 (d) The collection and disbursement of video lottery
237 revenue.

238 (e) The certification of net terminal income of video
239 lottery retailers.

240 (2) Initial rules to permit the operation of video
241 lotteries and the licensing of video lottery vendors shall be
242 adopted by January 1, 2008. The department may adopt emergency
243 rules under ss. 120.536(1) and 120.54(4) to implement this
244 section.

245 Section 4. Section 24.126, Florida Statutes, is created to
246 read:

247 24.126 Video lottery; minimum age.--

248 (1) A person who has not attained 21 years of age may not
249 play a video lottery game.

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

252
 253 THE USE OF A VIDEO LOTTERY TERMINAL BY PERSONS UNDER THE AGE OF
 254 21 IS AGAINST FLORIDA LAW. PROOF OF AGE IS REQUIRED FOR USE.

255
 256 (3) Any person who violates this section commits a
 257 misdemeanor of the second degree, punishable as provided in s.
 258 775.082 or s. 775.083.

259 Section 5. Section 24.127, Florida Statutes, is created to
 260 read:

261 24.127 Video lottery games.--

262 (1) Video lottery games may be offered by a video lottery
 263 retailer only at the pari-mutuel facility at which the video
 264 lottery retailer is licensed to conduct pari-mutuel wagering, or
 265 at its relocated licensed pari-mutuel facility if the relocation
 266 of such facility has been approved by the Division of Pari-
 267 mutuel Wagering pursuant to s. 550.0555. During any calendar
 268 year in which a video lottery retailer maintains video lottery
 269 terminals, the retailer must be licensed to conduct a full
 270 schedule of live racing or games, as defined in s. 550.002(11),
 271 including the conduct of racing or games under s. 550.475, or be
 272 authorized to receive broadcasts of horseraces under s.
 273 550.6308. The department shall waive such requirements upon a
 274 showing that the failure to conduct racing or games resulted
 275 from a natural disaster, strike, or other act beyond the control
 276 of the permitholder, including legal restrictions or
 277 prohibitions placed on the permitholder's activities. If the
 278 retailer does not comply with the requirement to conduct a full
 279 schedule of racing or games for any other reason, the department

280 shall order the retailer to suspend its video lottery operation.
 281 The department may assess an administrative fine, not to exceed
 282 \$5,000 per video lottery terminal per day, against any retailer
 283 who does not suspend its video lottery operation when ordered to
 284 do so by the department. The department may enforce a suspension
 285 order or administrative fine as provided in s. 120.69. Each
 286 video lottery retailer shall post a bond payable to the state in
 287 an amount determined by the department as sufficient to
 288 guarantee the payment of revenue due in any payment period. The
 289 initial bond prior to commencement of operations by the video
 290 lottery retailer shall be \$2 million, issued by a surety
 291 approved by the department, conditioned to make the payments to
 292 the department. The bond shall be separate from the bond
 293 required by s. 550.125.

294 (2) Each video lottery retailer shall determine the
 295 following pertaining to the video lottery terminals located on
 296 its premises:

297 (a) Number of video lottery terminals, not to exceed 1,000
 298 at any pari-mutuel facility; however, any pari-mutuel facility
 299 that also holds a slot machine license is limited to a
 300 combination of video lottery terminals and slot machines equal
 301 to the maximum number of slot machines authorized for such
 302 facility.

303 (b) Dates and hours during which the video lottery
 304 terminals are available for play, not to exceed 16 hours a day,
 305 except that the hours of operation may be extended by majority
 306 vote of the governing body of the municipality where the
 307 retailer is located or the governing body of the county if the

308 retailer is not located in a municipality.

309 (c) Mix of games available for play on video lottery
 310 terminals.

311 (d) Use of currency, coins, tokens, vouchers, electronic
 312 credits, or anything of value.

313 (e) Location and movement of video lottery terminals on
 314 the premises.

315 (f) Staffing of video lottery terminal operations on the
 316 premises.

317 (g) Minimum and maximum betting amounts and the payout,
 318 based upon a suitable range, as determined by the video lottery
 319 retailer, with a minimum of 85 percent of the amount of
 320 currency, credits, vouchers, or anything of value put into a
 321 video lottery terminal.

322 (3) Each video lottery retailer shall notify the
 323 department before commencing the initial operation of video
 324 lottery games.

325 (4) To facilitate the auditing and security programs that
 326 are critical to the integrity of the video lottery system, the
 327 department shall have overall control of the entire system. Each
 328 video lottery terminal shall be linked, directly or indirectly,
 329 to a computer system operated by the department or by a vendor
 330 contracting with the department.

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

334 (6) Upon submission of the initial application for a video
 335 lottery retailer license and annually thereafter on the

336 anniversary date of the issuance of the initial license, the
337 licensee must pay a nonrefundable license fee of \$3 million to
338 the department. The license fee shall be deposited into the
339 Operating Trust Fund of the Department of the Lottery to be used
340 by the department to administer this act.

341 (7) Income derived from video lottery operations is not
342 subject to s. 24.121. The allocation of net terminal income
343 derived from video lottery games shall be as follows:

344 (a) An amount equal to 50 percent of net terminal income
345 shall be remitted to the Operating Trust Fund for transfer to
346 the Educational Enhancement Trust Fund.

347 (b) An amount equal to 0.50 percent of net terminal income
348 shall be paid by the video lottery retailer to the department to
349 administer and regulate the operation of video lottery
350 terminals. Funds in excess of the department's administrative
351 costs shall be transferred to the Educational Enhancement Trust
352 Fund.

353 (c) An amount equal to 0.925 percent of net terminal
354 income shall be remitted to the county where the facility is
355 located.

356 (d) An amount equal to 0.925 percent of net terminal
357 income shall be remitted to the municipality, if the facility is
358 located in a municipality.

359
360 Notwithstanding any local agreements to the contrary, pari-
361 mutuel facilities authorized to have slot machines pursuant to
362 s. 23, Art. X of the State Constitution shall be required to pay
363 no more than the percentages specified in paragraphs (c) and

364 (d). If necessary to comply with any covenant established
365 pursuant to s. 1013.68(4), s. 1013.70(1), or s. 1013.737(3),
366 funds transferred to the Educational Enhancement Trust Fund
367 under paragraph (b) shall first be available to pay debt service
368 on lottery bonds issued to fund school construction in the event
369 lottery revenues are insufficient for such purpose or to satisfy
370 debt service reserve requirements established in connection with
371 lottery bonds. Such funds are subject to annual appropriation by
372 the Legislature.

373 (8) The allocation provided in subsection (7) shall be
374 made weekly. Amounts allocated shall be remitted to the
375 department by electronic transfer within 24 hours after the
376 allocation is determined.

377 (9) Any person who intentionally manipulates or attempts
378 to manipulate the outcome, payoff, or operation of a video
379 lottery terminal by physical or electronic tampering or other
380 means commits a felony of the third degree, punishable as
381 provided in s. 775.082, s. 775.083, or s. 775.084.

382 (10) Notwithstanding s. 24.115, each video lottery
383 retailer is responsible for payment of video lottery prizes.

384 (11) In the area or room in a facility in which a video
385 lottery terminal is placed, the video lottery retailer shall
386 also place video monitors displaying live races or games being
387 conducted in that facility. If live races or games are not being
388 conducted, any simulcast races or games that are otherwise
389 displayed in the facility shall be displayed. In each area or
390 room, the retailer shall also provide a means for patrons to
391 wager on pari-mutuel activity.

392 Section 6. Section 24.128, Florida Statutes, is created to
 393 read:

394 24.128 Licensure of video lottery terminal vendors.--Video
 395 lottery terminal vendors shall be licensed by the department by
 396 October 1, 2007. The department may adopt emergency rules under
 397 ss. 120.536(1) and 120.54(4) to implement this section. The
 398 department may not license a person as a video lottery terminal
 399 vendor who has an interest in a video lottery retailer or a
 400 business relationship with a video lottery retailer other than
 401 as a vendor or lessor of video lottery terminals.

402 Section 7. Section 24.129, Florida Statutes, is created to
 403 read:

404 24.129 Local zoning of pari-mutuel facilities.--The
 405 installation, operation, or use of a video lottery terminal on
 406 any property where pari-mutuel operations were or would have
 407 been lawful under any county or municipal zoning ordinance on
 408 July 1, 2006, does not change the character of the use of such
 409 property. Such use is lawful and consistent with pari-mutuel
 410 operations, and such use or the expansion or construction of
 411 facilities to accommodate video lottery terminals on the
 412 property is not subject to review or approval under land use,
 413 zoning, or site plan review or concurrency law, ordinance, or
 414 regulation by any governmental entity.

415 Section 8. Section 24.130, Florida Statutes, is created to
 416 read:

417 24.130 Video lottery terminals.--
 418 (1) Video lottery terminals may not be offered for use or
 419 play in this state unless approved by the department.

420 (2) Each video lottery terminal approved for use in this
421 state must:

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

424 (b) Have one or more mechanisms that accept currency,
425 coins, tokens, vouchers, or anything of value in exchange for
426 game credits. Such mechanisms must be designed to prevent
427 players from obtaining currency, coins, tokens, vouchers, or
428 anything of value, or from obtaining game credits, by physical
429 tampering.

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

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

435 Section 9. Section 24.131, Florida Statutes, is created to
436 read:

437 24.131 Video lottery terminal training program.--

438 (1) Each licensed video lottery terminal vendor shall
439 submit a training program for the service and maintenance of
440 terminals and equipment for approval by the department. The
441 training program must include an outline of the training
442 curriculum; a list of instructors and their qualifications; a
443 copy of the instructional materials; and the dates, times, and
444 location of training classes. A service and maintenance program
445 may not be held unless approved by the department.

446 (2) Each video lottery terminal service employee must
447 complete the requirements of the manufacturer's training program

448 before performing service, maintenance, or repairs on video
449 lottery terminals or associated equipment. Upon the successful
450 completion of the training program by an employee, the
451 department shall issue a certificate authorizing the employee to
452 service, maintain, and repair video lottery terminals and
453 associated equipment. A certificate of completion may not be
454 issued to a person until the department determines that such
455 person has completed the required training. Before being
456 certified as a video lottery terminal service employee, a person
457 must pass a background investigation conducted by the
458 department. The department may revoke certification upon finding
459 that a person is in violation of this chapter or department
460 rule.

461 (3) The department may adopt rules regarding the training,
462 qualifications, and certification of video lottery terminal
463 service employees.

464 Section 10. Section 24.132, Florida Statutes, is created
465 to read:

466 24.132 Video lottery retailer; agreements required.--

467 (1) A video lottery retailer who holds a permit under
468 chapter 550 to conduct pari-mutuel wagering meets of
469 thoroughbred racing may not conduct video lottery games unless
470 the retailer has on file with the division a binding written
471 agreement governing the payment of purses on live thoroughbred
472 racetracks conducted at the retailer's pari-mutuel facility between
473 the retailer and the association representing a majority of the
474 thoroughbred racehorse owners and trainers at that location. In
475 addition, a video lottery retailer may not conduct video lottery

476 games unless it has on file with the department a binding
477 written agreement between it and the Florida Thoroughbred
478 Breeders' Association, Inc., governing the payment of breeders',
479 stallion, and special racing awards on live thoroughbred races
480 conducted at the retailer's pari-mutuel facility.

481 (a) The agreement governing purses and the agreement
482 governing awards may direct the payment of such purses and
483 awards from revenues generated by any wagering or gaming that
484 the applicant is authorized to conduct.

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

490 (2) The department shall prohibit the operation of video
491 lottery games at a retailer's premises if an agreement required
492 under subsection (1) is terminated or otherwise ceases to
493 operate or if the department determines that the retailer has
494 materially failed to comply with the terms of an agreement.

495 (3) If an agreement required under subsection (1) is not
496 in place, either party may request the American Arbitration
497 Association to furnish a list of 11 arbitrators, each of whom
498 shall have at least 5 years of commercial arbitration experience
499 and no financial interest in or prior relationship with any of
500 the parties or their affiliated or related entities or
501 principals. Each party to the agreement shall select a single
502 arbitrator from the list provided within 10 days after receipt
503 of the list, and the arbitrators selected shall choose one

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504 additional arbitrator from the same list within the next 10
505 days.

506 (a) If an agreement is not in place 60 days after the
507 request for a list of arbitrators, the matter shall be
508 immediately submitted for mandatory binding arbitration to
509 resolve the disagreement between the parties. The three
510 arbitrators selected shall constitute the panel that will
511 arbitrate the dispute between the parties pursuant to the
512 American Arbitration Association Commercial Arbitration Rules
513 and chapter 682.

514 (b) At the conclusion of the proceedings, which must be
515 within 90 days after requesting the list of arbitrators, the
516 arbitration panel shall present a proposed agreement to the
517 parties which the majority of the panel believes equitably
518 balances the rights, interests, obligations, and reasonable
519 expectations of the parties. The parties shall immediately enter
520 into such agreement, which shall satisfy the requirements of
521 subsection (1) and permit the conduct of video lottery games by
522 the video lottery retailer. The agreement is effective until the
523 last day of the license or renewal period or until the parties
524 enter into a different agreement. Each party shall pay its
525 respective costs of arbitration and one-half of the costs of the
526 arbitration panel unless the parties have agreed otherwise. If
527 the agreement remains in place 120 days before the scheduled
528 issuance of the next annual license renewal, the arbitration
529 process established in this subsection shall begin again.

530 (c) If neither of the agreements required under subsection
531 (1) is in place, arbitration shall proceed independently with

532 separate lists of arbitrators, arbitration panels, arbitration
533 proceedings, and resulting agreements.

534 (d) Arbitration and the resulting agreement governing the
535 payment of purses under subsection (1) shall be limited to the
536 payment of purses from net terminal income only.

537 (4) A video lottery retailer who holds a limited
538 intertrack wagering license pursuant to s. 550.6308 shall make the
539 following payments for the promotion and welfare of the
540 thoroughbred racing industry:

541 (a) An amount equal to 12.5 percent of the net terminal
542 income shall be paid to thoroughbred pari-mutuel permitholders
543 that are licensed to conduct live races for purses. If more than
544 one permitholder is licensed to conduct live races during the
545 state thoroughbred racing season, the video lottery retailer
546 shall allocate these funds between the operating permitholders
547 on a pro rata basis based on the total live handle generated
548 during the previous racing season at the operating
549 permitholders' facilities. An amount equal to 7.5 percent of the
550 purse account generated under this paragraph shall be used for
551 Florida Owners' Awards pursuant to an agreement executed by the
552 permitholder, the Florida Thoroughbred Breeders' Association,
553 Inc., and the association representing a majority of the
554 thoroughbred racehorse owners and trainers at the permitholder's
555 facility. If an agreement is not reached 60 days before the
556 commencement of the permitholder's racing meet, the funds shall
557 be used for overnight purses.

558 (b) An amount equal to 1.25 percent of the net terminal
559 income shall be paid for breeders', stallion, or special racing

560 awards. The Florida Thoroughbred Breeders' Association, Inc.,
 561 may receive these payments from the video lottery retailer and
 562 make payments of awards earned. The Florida Thoroughbred
 563 Breeders' Association, Inc., may withhold up to 10 percent of
 564 the permitholder's payments under this paragraph as a fee for
 565 administering the payments of awards and for the general
 566 promotion of the industry. The video lottery retailer shall make
 567 weekly payments to the permitholders and to Florida Thoroughbred
 568 Breeders' Association, Inc., at the same time it remits its
 569 allocation to the department.

570 Section 11. Section 24.133, Florida Statutes, is created
 571 to read:

572 24.133 Notice of availability of assistance for compulsive
 573 gambling required.--

574 (1) The owner of each facility at which video lottery
 575 games are conducted shall post a sign within 50 feet of each
 576 entrance that displays the following statement:

577
 578 "IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM, HELP IS
 579 AVAILABLE. CALL 1-800-426-7711."

580
 581 (2) The department may approve additional toll-free
 582 numbers to ensure compliance with this section.

583 Section 12. Section 24.134, Florida Statutes, is created
 584 to read:

585 24.134 Compulsive gambling program.--

586 (1) Each video lottery retailer shall offer training to
 587 employees on responsible gaming and shall work with a compulsive

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588 gambling prevention program to recognize problem gaming
589 situations and to implement responsible gaming programs and
590 practices.

591 (2) The department shall, subject to competitive bidding,
592 contract for the provision of services related to the prevention
593 of compulsive gambling. The contract shall provide for an
594 advertising program to encourage responsible gaming practices
595 and to publicize a gambling telephone help line. Such
596 advertisements must be made both publicly and inside the gaming
597 areas of the video lottery retailers' facilities. The terms of
598 any contract for the provision of such services shall include
599 accountability standards that must be met by any private
600 provider. The failure of any private provider to meet any
601 material terms of the contract, including the accountability
602 standards, shall constitute a breach of contract or grounds for
603 nonrenewal.

604 Section 13. Section 24.136, Florida Statutes, is created
605 to read:

606 24.136 Video lottery retailer caterer's license.--A video
607 lottery retailer is entitled to a caterer's license pursuant to
608 s. 565.02 on days on which the pari-mutuel facility is open to
609 the public for video lottery play as authorized by this chapter.

610 Section 14. Section 24.137, Florida Statutes, is created
611 to read:

612 24.137 Other prohibited activities.--

613 (1) Complimentary or reduced-cost alcoholic beverages may
614 not be served to a person playing a video lottery terminal.
615 Alcoholic beverages served to a person playing a video lottery

616 terminal shall cost at least the same amount as alcoholic
617 beverages served to the general public at a bar within the
618 facility.

619 (2) A video lottery retailer may not allow any automated
620 teller machine or similar device that provides credit or
621 dispenses cash to be located in the area where video lottery
622 terminal gaming may be conducted pursuant to this chapter, nor
623 may such retailer make loans, provide credit, or advance cash to
624 enable a person to play a video lottery terminal. However,
625 automated ticket redemption machines that dispense cash for the
626 redemption of tickets may be located in such areas.

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

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

638 Section 15. Section 24.138, Florida Statutes, is created
639 to read:

640 24.138 Exclusions of certain persons.--In addition to the
641 power to exclude certain persons from any facility of a video
642 lottery retailer in this state, the department may exclude any
643 person for conduct that would constitute, if the person were a

644 licensee, a violation of this chapter, chapter 550, chapter 551,
645 or a department rule. The department may exclude from any
646 facility of a video lottery retailer any person who has been
647 ejected from a facility of a video lottery retailer or slot
648 machine licensee in this or any other state by the governmental
649 department, agency, commission, or authority that regulates
650 gaming in that state. This section does not abrogate the common
651 law right of a video lottery retailer to exclude a patron
652 absolutely in this state.

653 Section 16. Section 24.139, Florida Statutes, is created
654 to read:

655 24.139 Department office space.--A video lottery retailer
656 shall provide adequate office space at no cost to the department
657 for the oversight of video lottery terminal operations. The
658 department shall adopt rules establishing the criteria for
659 adequate space, configuration, and needed electronic and
660 technological requirements for office space required by this
661 section.

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

664 212.02 Definitions.--The following terms and phrases when
665 used in this chapter have the meanings ascribed to them in this
666 section, except where the context clearly indicates a different
667 meaning:

668 (24) "Coin-operated amusement machine" means any machine
669 operated by coin, slug, token, coupon, or similar device for the
670 purposes of entertainment or amusement. The term includes, but
671 is not limited to, coin-operated pinball machines, music

672 machines, juke boxes, mechanical games, video games, arcade
 673 games, billiard tables, moving picture viewers, shooting
 674 galleries, and all other similar amusement devices. The term
 675 does not include a video lottery terminal operated pursuant to
 676 chapter 24.

677 Section 18. Subsection (4) of section 1011.62, Florida
 678 Statutes, is amended to read:

679 1011.62 Funds for operation of schools.--If the annual
 680 allocation from the Florida Education Finance Program to each
 681 district for operation of schools is not determined in the
 682 annual appropriations act or the substantive bill implementing
 683 the annual appropriations act, it shall be determined as
 684 follows:

685 (4) COMPUTATION OF DISTRICT REQUIRED LOCAL EFFORT.--The
 686 Legislature shall prescribe the aggregate required local effort
 687 for all school districts collectively as an item in the General
 688 Appropriations Act for each fiscal year. The estimated video
 689 lottery terminal net income that is remitted to the Operating
 690 Trust Fund for transfer to the Educational Enhancement Trust
 691 Fund pursuant to s. 24.127(7) for the fiscal year shall be
 692 subtracted from the aggregate required local effort. The amount
 693 that each district shall provide annually toward the cost of the
 694 Florida Education Finance Program for kindergarten through grade
 695 12 programs shall be calculated as follows:

696 (a) Estimated taxable value calculations.--

697 1.a. Not later than 2 working days prior to July 19, the
 698 Department of Revenue shall certify to the Commissioner of
 699 Education its most recent estimate of the taxable value for

700 school purposes in each school district and the total for all
701 school districts in the state for the current calendar year
702 based on the latest available data obtained from the local
703 property appraisers. Not later than July 19, the Commissioner of
704 Education shall compute a millage rate, rounded to the next
705 highest one one-thousandth of a mill, which, when applied to 95
706 percent of the estimated state total taxable value for school
707 purposes, would generate the prescribed aggregate required local
708 effort for that year for all districts. The Commissioner of
709 Education shall certify to each district school board the
710 millage rate, computed as prescribed in this subparagraph, as
711 the minimum millage rate necessary to provide the district
712 required local effort for that year.

713 b. The General Appropriations Act shall direct the
714 computation of the statewide adjusted aggregate amount for
715 required local effort for all school districts collectively from
716 ad valorem taxes to ensure that no school district's revenue
717 from required local effort millage will produce more than 90
718 percent of the district's total Florida Education Finance
719 Program calculation, and the adjustment of the required local
720 effort millage rate of each district that produces more than 90
721 percent of its total Florida Education Finance Program
722 entitlement to a level that will produce only 90 percent of its
723 total Florida Education Finance Program entitlement in the July
724 calculation.

725 2. As revised data are received from property appraisers,
726 the Department of Revenue shall amend the certification of the
727 estimate of the taxable value for school purposes.

728 (b) Final calculation.--

729 1. On September 1 of each year, the Department of Revenue
 730 shall certify to the Commissioner of Education the total of the
 731 prior year final taxable value for school purposes in each
 732 school district and the total for all school districts in the
 733 state. The commissioner shall use the final taxable value
 734 certified on September 1 for school purposes for each school
 735 district in the final calculation of the annual Florida
 736 Education Finance Program allocations.

737 2. For purposes of this paragraph, the final taxable value
 738 for school purposes shall be the taxable value for school
 739 purposes on which the tax bills are computed and mailed to the
 740 taxpayers, adjusted to reflect final administrative actions of
 741 value adjustment boards and judicial decisions pursuant to
 742 chapter 194. For each county that has not submitted a revised
 743 tax roll reflecting final value adjustment board actions and
 744 final judicial decisions, the Department of Revenue shall
 745 certify the most recent revision of the taxable value for school
 746 purposes. The value certified on September 1 shall be the final
 747 taxable value for school purposes for that year, and no further
 748 adjustments shall be made, except those made pursuant to
 749 paragraph (11) (b) .

750 (c) Equalization of required local effort.--

751 1. The Department of Revenue shall include with its
 752 certifications provided pursuant to paragraph (a) its most
 753 recent determination of the assessment level of the prior year's
 754 assessment roll for each county and for the state as a whole.

755 2. The Commissioner of Education shall adjust the required

756 local effort millage of each district for the current year,
757 computed pursuant to paragraph (a), as follows:

758 a. The equalization factor for the prior year's assessment
759 roll of each district shall be multiplied by 95 percent of the
760 taxable value for school purposes shown on that roll and by the
761 prior year's required local-effort millage, exclusive of any
762 equalization adjustment made pursuant to this paragraph. The
763 dollar amount so computed shall be the additional required local
764 effort for equalization for the current year.

765 b. Such equalization factor shall be computed as the
766 quotient of the prior year's assessment level of the state as a
767 whole divided by the prior year's assessment level of the
768 county, from which quotient shall be subtracted 1.

769 c. The dollar amount of additional required local effort
770 for equalization for each district shall be converted to a
771 millage rate, based on 95 percent of the current year's taxable
772 value for that district, and added to the required local effort
773 millage determined pursuant to paragraph (a).

774 3. Notwithstanding the limitations imposed pursuant to s.
775 1011.71(1), the total required local-effort millage, including
776 additional required local effort for equalization, shall be an
777 amount not to exceed 10 minus the maximum millage allowed as
778 nonvoted discretionary millage, exclusive of millage authorized
779 pursuant to s. 1011.71(2). Nothing herein shall be construed to
780 allow a millage in excess of that authorized in s. 9, Art. VII
781 of the State Constitution.

782 4. For the purposes of this chapter, the term "assessment
783 level" means the value-weighted mean assessment ratio for the

784 county or state as a whole, as determined pursuant to s.
785 195.096, or as subsequently adjusted. However, for those parcels
786 studied pursuant to s. 195.096(3)(a)1. which are receiving the
787 assessment limitation set forth in s. 193.155, and for which the
788 assessed value is less than the just value, the department shall
789 use the assessed value in the numerator and the denominator of
790 such assessment ratio. In the event a court has adjudicated that
791 the department failed to establish an accurate estimate of an
792 assessment level of a county and recomputation resulting in an
793 accurate estimate based upon the evidence before the court was
794 not possible, that county shall be presumed to have an
795 assessment level equal to that of the state as a whole.

796 5. If, in the prior year, taxes were levied against an
797 interim assessment roll pursuant to s. 193.1145, the assessment
798 level and prior year's nonexempt assessed valuation used for the
799 purposes of this paragraph shall be those of the interim
800 assessment roll.

801 (d) Exclusion.--

802 1. In those instances in which:

803 a. There is litigation either attacking the authority of
804 the property appraiser to include certain property on the tax
805 assessment roll as taxable property or contesting the assessed
806 value of certain property on the tax assessment roll, and

807 b. The assessed value of the property in contest involves
808 more than 6 percent of the total nonexempt assessment roll, the
809 plaintiff shall provide to the district school board of the
810 county in which the property is located and to the Department of
811 Education a certified copy of the petition and receipt for the

812 good faith payment at the time they are filed with the court.

813 2. For purposes of computing the required local effort for
 814 each district affected by such petition, the Department of
 815 Education shall exclude from the district's total nonexempt
 816 assessment roll the assessed value of the property in contest
 817 and shall add the amount of the good faith payment to the
 818 district's required local effort.

819 (e) Recomputation.--Following final adjudication of any
 820 litigation on the basis of which an adjustment in taxable value
 821 was made pursuant to paragraph (d), the department shall
 822 recompute the required local effort for each district for each
 823 year affected by such adjustments, utilizing taxable values
 824 approved by the court, and shall adjust subsequent allocations
 825 to such districts accordingly.

826 Section 19. Subsection (8) is added to section 550.09515,
 827 Florida Statutes, to read:

828 550.09515 Thoroughbred horse taxes; abandoned interest in
 829 a permit for nonpayment of taxes.--

830 (8) Notwithstanding any other provision in this chapter, a
 831 thoroughbred permit that has been revoked by the division
 832 heretofore or hereafter pursuant to s. 550.5251 or has escheated
 833 to the state pursuant to this section shall be deemed to
 834 continue in existence and held by the division in abeyance
 835 subject to reissuance pursuant to this subsection. Any such
 836 permit shall be subject to reissuance by the division and shall
 837 be reissued to a qualified applicant for use at the same
 838 facility at which the permit was last operated as a thoroughbred
 839 permit. The prior holder of any revoked or escheated

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840 thoroughbred permit rendered subject to reissuance by this
841 subsection shall not be disqualified for receipt of a reissued
842 thoroughbred permit if the primary reason for the revocation or
843 escheat of the thoroughbred permit was for any reason other than
844 the prior holder's disqualification on grounds of moral
845 turpitude. Nonpayment of taxes on handle shall not be considered
846 a ground of moral turpitude. If more than one applicant applies
847 for reissuance of a thoroughbred permit pursuant to the terms
848 and conditions of this subsection, the division shall give
849 preference to an applicant not currently in possession of
850 another pari-mutuel permit issued pursuant to this chapter.

851 Section 20. For the 2007-2008 fiscal year, the sum of \$10
852 million in recurring funds is appropriated from the Operating
853 Trust Fund in the Department of the Lottery and 24 full-time
854 equivalent positions and associated salary rate of 1,276,000 are
855 authorized to implement the provisions of this act.

856 Section 21. This act shall take effect upon becoming a
857 law.