

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.; providing powers  
5 and duties of the Department of the Lottery pertaining to  
6 video lottery games; creating s. 24.125, F.S.; providing  
7 for the adoption of rules; creating s. 24.126, F.S.;  
8 prohibiting certain persons from playing video lottery  
9 games; requiring video lottery retailers to post certain  
10 signage; providing penalties; creating s. 24.127, F.S.;  
11 providing requirements for the operation of video lottery  
12 games; providing for fines and orders of suspension;  
13 requiring the video lottery retailer to post bond;  
14 providing a payout percentage; providing for licensure and  
15 a license fee; providing for the distribution of net  
16 terminal income; providing for weekly allocations;  
17 providing penalties; creating s. 24.128, F.S.; providing  
18 for the licensure of video lottery terminal vendors;  
19 providing for emergency rules; creating s. 24.129, F.S.;  
20 providing that use or expansion of property for video  
21 lottery terminals is not subject to review or approval  
22 under land use, zoning, or site plan review or concurrency  
23 law, ordinance, or regulation; creating s. 24.130, F.S.;  
24 providing requirements for video lottery terminals;  
25 creating s. 24.131, F.S.; requiring video lottery terminal  
26 vendors to establish training programs for employees who  
27 service such terminals; requiring department approval of  
28 such programs; providing certification requirements;

29 providing for the adoption of rules; creating s. 24.132,  
30 F.S.; requiring certain video lottery retailers to execute  
31 certain agreements governing the payment of purses and  
32 special thoroughbred racing awards; requiring the  
33 remittance of funds pursuant to such agreements;  
34 authorizing the department to sanction certain breeders;  
35 prohibiting the operation of video lottery games in the  
36 absence of agreements; requiring arbitration if agreements  
37 are not in place; requiring certain video lottery  
38 retailers to make certain payments for the promotion of  
39 the thoroughbred racing industry; creating s. 24.133,  
40 F.S.; requiring operators of facilities where video  
41 lottery games are conducted to post certain signs  
42 regarding compulsive gambling; creating s. 24.134, F.S.;  
43 providing for compulsive gambling prevention programs;  
44 creating s. 24.136, F.S.; authorizing a caterer's license  
45 for video lottery retailers; creating s. 24.137, F.S.;  
46 prohibiting video lottery retailers from engaging in  
47 certain activities; creating s. 24.138, F.S.; providing  
48 for the exclusion of certain persons from a video lottery  
49 retailer's premises; creating s. 24.139, F.S.; requiring  
50 video lottery retailers to provide office space for  
51 department employees; amending s. 212.02, F.S.; excluding  
52 video lottery terminals from the definition of the term  
53 "coin-operated amusement machine" for purposes of the  
54 sales and use tax; amending s. 1011.62, F.S.; decreasing  
55 the required local effort for school districts by certain  
56 estimated revenues from video lottery terminals; amending

57 s. 550.09515, F.S.; providing for reissuance of a pari-  
58 mutuel permit that has been revoked by the Division of  
59 Pari-mutuel Wagering of the Department of Business and  
60 Professional Regulation or has escheated to the state;  
61 providing an appropriation and authorizing additional  
62 positions; providing an effective date.

63  
64 WHEREAS, the pari-mutuel industry has been a valuable part  
65 of the Florida economy and a source of tax revenue for over 50  
66 years, and

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

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

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

81 WHEREAS, the limited authorization of "video lottery  
82 retailers" at existing pari-mutuel facilities would ensure that  
83 the state would continue to recover taxes associated with pari-

84 | mutuel facilities that the state has enjoyed for over 50 years,  
 85 | NOW, THEREFORE,

86 |  
 87 | Be It Enacted by the Legislature of the State of Florida:

88 |  
 89 | Section 1. Subsections (7) through (11) are added to  
 90 | section 24.103, Florida Statutes, to read:

91 | 24.103 Definitions.--As used in this act:

92 | (7) "Video lottery game" means any machine, mechanical or  
 93 | electrical contrivance, terminal that may or may not be capable  
 94 | of downloading slot games from a central server system, or other  
 95 | device that, upon insertion of a coin, bill, ticket, token, or  
 96 | similar object or upon payment of any consideration whatsoever,  
 97 | including the use of any electronic payment system except a  
 98 | credit card or debit card, is available to play or operate, the  
 99 | play or operation of which, whether by reason of skill or  
 100 | application of the element of chance or both, may deliver or  
 101 | entitle the person or persons playing or operating the machine,  
 102 | contrivance, terminal, or other device to receive cash, billets,  
 103 | tickets, tokens, or electronic credits to be exchanged for cash  
 104 | or to receive merchandise or anything of value whatsoever,  
 105 | whether the payoff is made automatically from the machine or  
 106 | manually. The term includes associated equipment necessary to  
 107 | conduct the operation of the machine, contrivance, terminal, or  
 108 | other device. Slot machines may use spinning reels, video  
 109 | displays, or both.

110 | (8) "Video lottery terminal" means a mechanical,  
 111 | electronic, computerized gaming device that is a technological

112 machine capable of being linked to a centralized computer  
 113 management system for regulating, managing, and auditing the  
 114 operation, financial data, and program information, as required  
 115 by the department. A video lottery terminal may be activated by  
 116 insertion of a coin, bill, ticket, token, or similar object or  
 117 upon payment of any consideration whatsoever, including the use  
 118 of any electronic payment system except a credit card or debit  
 119 card, and may entitle the person playing or operating the  
 120 terminal to receive or may deliver to the person cash, billets,  
 121 tickets, tokens, or electronic credits to be exchanged for cash.  
 122 For purposes of this subsection:

123 (a) "Electronic or electromechanical facsimile" means a  
 124 game played in an electronic or electromechanical format that  
 125 replicates a game of chance by incorporating all of the  
 126 characteristics of the game.

127 (b) "Mechanical, electronic, computerized, or other  
 128 technological aid" means any machine or device that assists a  
 129 player or the playing of an electronic game.

130  
 131 A video lottery terminal is not a coin-operated amusement  
 132 machine as defined in s. 212.02(24) and does not include an  
 133 amusement game or machine as described in s. 849.161

134 (9) "Video lottery terminal vendor" means any person  
 135 licensed by the department who is in the business of selling,  
 136 leasing, servicing, repairing, or upgrading video lottery  
 137 terminals for video lottery retailers or who provides to the  
 138 department or to a video lottery retailer computer equipment,  
 139 software, or other functions related to video lottery terminals.

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

143       (11) "Video lottery retailer" means a pari-mutuel  
 144 permitholder under chapter 550 who held a license to conduct a  
 145 full schedule of live racing or games, as described in s.  
 146 550.002(11), on January 1, 2007, and who conducted a full  
 147 schedule of live racing or games during fiscal year 2007-2008,  
 148 and:

149       (a) Whose facility is operating on a site that is located  
 150 within 60 miles of an operating tribal casino that was in  
 151 existence in this state on or before January 1, 2007; or

152       (b) Whose facility is located within a county that has  
 153 passed a countywide referendum authorizing video lottery  
 154 terminal games at the facility that shall be called by  
 155 affirmative vote of the governing body of the county where the  
 156 facility is located or by a petition initiative referendum  
 157 process pursuant to which no less than 10 percent of the  
 158 qualified voters in the county have signed a petition in support  
 159 of such authorizing referendum.

160       Section 2. Subsections (21) through (27) are added to  
 161 section 24.105, Florida Statutes, to read:

162       24.105 Powers and duties of department.--The department  
 163 shall:

164       (21) Have the capacity to support video lottery games at  
 165 facilities of video lottery retailers by January 1, 2009.

166       (22) Hear and decide promptly and in reasonable order all  
 167 video-lottery-related license applications and enforcement

168 proceedings for suspension or revocation of licenses.  
 169 (23) Collect and disburse video lottery revenue due the  
 170 department as described in this chapter.  
 171 (24) Certify net terminal income of video lottery  
 172 retailers by inspecting records or conducting audits or by any  
 173 other reasonable means.  
 174 (25) Maintain a list of licensed video lottery terminal  
 175 vendors and a current list of all contracts between video  
 176 lottery terminal vendors and video lottery retailers.  
 177 (26) Approve an application for a video lottery retailer  
 178 within 90 days after receipt of the application. A person meets  
 179 all qualifications of licensure under this section if the person  
 180 has been licensed under chapter 550 and meets the definition of  
 181 a video lottery retailer under s. 24.103(11).  
 182 (27) Adopt procedures by rule for scientifically testing  
 183 and technically evaluating video lottery terminals for  
 184 compliance with this chapter. The department may contract with  
 185 an independent testing laboratory to scientifically test and  
 186 technically evaluate video lottery games, video lottery  
 187 terminals, and video lottery operating systems for compliance  
 188 with this chapter. The independent testing laboratory must have  
 189 a national reputation as demonstrably competent and qualified to  
 190 scientifically test and evaluate all components of a video  
 191 lottery gaming system and to otherwise perform all functions  
 192 assigned to it under this chapter. The laboratory may not be  
 193 owned or controlled by a video lottery terminal vendor or video  
 194 lottery retailer. The selection of an independent testing  
 195 laboratory shall be made from a list of one or more laboratories

196 approved and licensed by the department.

197 Section 3. Section 24.125, Florida Statutes, is created to  
198 read:

199 24.125 Rules authorized.--

200 (1) The department may adopt rules similar to rules  
201 adopted under chapter 551 relating to:

202 (a) The regulation of video lottery retailers, video  
203 lottery terminal vendors, video lottery games, and video lottery  
204 products.

205 (b) Specifications for approving and authorizing video  
206 lottery terminals in order to maintain the integrity of video  
207 lottery games and terminals. The specifications may not limit  
208 the number of video lottery terminal vendors who supply  
209 terminals to fewer than four.

210 (c) Hearing and approving or disapproving video-lottery-  
211 related license applications, and enforcement procedures related  
212 to suspension and revocation of licenses.

213 (d) The collection and disbursement of video lottery  
214 revenue.

215 (e) The certification of net terminal income of video  
216 lottery retailers.

217 (2) Initial rules to permit the operation of video  
218 lotteries and the licensing of video lottery vendors shall be  
219 adopted by January 1, 2009. The department may adopt emergency  
220 rules under ss. 120.536(1) and 120.54(4) to implement this  
221 section.

222 Section 4. Section 24.126, Florida Statutes, is created to  
223 read:



224 24.126 Video lottery; minimum age.--

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

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

229  
 230 THE USE OF A VIDEO LOTTERY TERMINAL BY PERSONS UNDER THE AGE OF  
 231 21 IS AGAINST FLORIDA LAW. PROOF OF AGE IS REQUIRED FOR USE.

232  
 233 (3) Any person who violates this section commits a  
 234 misdemeanor of the second degree, punishable as provided in s.  
 235 775.082 or s. 775.083.

236 Section 5. Section 24.127, Florida Statutes, is created to  
 237 read:

238 24.127 Video lottery games.--

239 (1) Video lottery games may be offered by a video lottery  
 240 retailer only at the pari-mutuel facility at which the video  
 241 lottery retailer is licensed to conduct pari-mutuel wagering, or  
 242 at its relocated licensed pari-mutuel facility if the relocation  
 243 of such facility has been approved by the Division of Pari-  
 244 mutuel Wagering pursuant to s. 550.0555. During any calendar  
 245 year in which a video lottery retailer maintains video lottery  
 246 terminals, the retailer must be licensed to conduct a full  
 247 schedule of live racing or games, as defined in s. 550.002(11),  
 248 including the conduct of racing or games under s. 550.475, or be  
 249 authorized to receive broadcasts of horseraces under s.  
 250 550.6308. The department shall waive such requirements upon a  
 251 showing that the failure to conduct racing or games resulted

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252 from a natural disaster, strike, or other act beyond the control  
253 of the permitholder, including legal restrictions or  
254 prohibitions placed on the permitholder's activities. If the  
255 retailer does not comply with the requirement to conduct a full  
256 schedule of racing or games for any other reason, the department  
257 shall order the retailer to suspend its video lottery operation.  
258 The department may assess an administrative fine, not to exceed  
259 \$5,000 per video lottery terminal per day, against any retailer  
260 who does not suspend its video lottery operation when ordered to  
261 do so by the department. The department may enforce a suspension  
262 order or administrative fine as provided in s. 120.69. Each  
263 video lottery retailer shall post a bond payable to the state in  
264 an amount determined by the department as sufficient to  
265 guarantee the payment of revenue due in any payment period. The  
266 initial bond prior to commencement of operations by the video  
267 lottery retailer shall be \$2 million, issued by a surety  
268 approved by the department, conditioned to make the payments to  
269 the department. The bond shall be separate from the bond  
270 required by s. 550.125.

271 (2) Each video lottery retailer shall determine the  
272 following pertaining to the video lottery terminals located on  
273 its premises:

274 (a) Number of video lottery terminals, not to exceed 2,000  
275 at any pari-mutuel facility; however, any pari-mutuel facility  
276 that also holds a slot machine license is limited to a  
277 combination of video lottery terminals and slot machines equal  
278 to the maximum number of slot machines authorized for such  
279 facility.

280        (b) Dates and hours during which the video lottery  
281 terminals are available for play, not to exceed 18 hours a day  
282 during the week and 24 hours a day on weekends, except that the  
283 hours of operation may be extended by majority vote of the  
284 governing body of the municipality where the retailer is located  
285 or the governing body of the county if the retailer is not  
286 located in a municipality.

287        (c) Mix of games available for play on video lottery  
288 terminals.

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

291        (e) Location and movement of video lottery terminals on  
292 the premises.

293        (f) Staffing of video lottery terminal operations on the  
294 premises.

295        (g) Minimum and maximum betting amounts and the payout,  
296 based upon a suitable range, as determined by the video lottery  
297 retailer, with a minimum of 85 percent of the amount of  
298 currency, credits, vouchers, or anything of value put into a  
299 video lottery terminal.

300        (3) Each video lottery retailer shall notify the  
301 department before commencing the initial operation of video  
302 lottery games.

303        (4) To facilitate the auditing and security programs that  
304 are critical to the integrity of the video lottery system, the  
305 department shall have overall control of the entire system. Each  
306 video lottery terminal shall be linked, directly or indirectly,  
307 to a computer system operated by the department or by a vendor

308 contracting with the department.

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

312 (6) Upon submission of the initial application for a video  
313 lottery retailer license and annually thereafter on the  
314 anniversary date of the issuance of the initial license, the  
315 licensee must pay a nonrefundable license fee of \$3 million to  
316 the department. The license fee shall be deposited into the  
317 Operating Trust Fund of the Department of the Lottery to be used  
318 by the department to administer this act.

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

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

325 (b) An amount equal to 0.50 percent of net terminal income  
326 shall be paid by the video lottery retailer to the department to  
327 administer and regulate the operation of video lottery  
328 terminals. Funds in excess of the department's administrative  
329 costs shall be transferred to the Educational Enhancement Trust  
330 Fund.

331 (c) In the absence of a contractual agreement with the  
332 county for a higher remittance amount, an amount equal to 0.925  
333 percent of net terminal income shall be remitted to the county  
334 where the facility is located.

335 (d) In the absence of a contractual agreement with the

336 municipality for an alternative remittance amount, an amount  
337 equal to 0.925 percent of net terminal income shall be remitted  
338 to the municipality if the facility is located in a  
339 municipality.

340  
341 Notwithstanding any local agreements to the contrary, pari-  
342 mutuel facilities authorized to have slot machines pursuant to  
343 s. 23, Art. X of the State Constitution shall be required to pay  
344 no more than the percentages specified in paragraphs (c) and  
345 (d). If necessary to comply with any covenant established  
346 pursuant to s. 1013.68(4), s. 1013.70(1), or s. 1013.737(3),  
347 funds transferred to the Educational Enhancement Trust Fund  
348 under paragraph (b) shall first be available to pay debt service  
349 on lottery bonds issued to fund school construction in the event  
350 lottery revenues are insufficient for such purpose or to satisfy  
351 debt service reserve requirements established in connection with  
352 lottery bonds. Such funds are subject to annual appropriation by  
353 the Legislature.

354 (8) The allocation provided in subsection (7) shall be  
355 made weekly. Amounts allocated shall be remitted to the  
356 department by electronic transfer within 24 hours after the  
357 allocation is determined.

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

363 (10) Notwithstanding s. 24.115, each video lottery

364 retailer is responsible for payment of video lottery prizes.

365 (11) In the area or room in a facility in which a video  
 366 lottery terminal is placed, the video lottery retailer shall  
 367 also place video monitors displaying live races or games being  
 368 conducted in that facility. If live races or games are not being  
 369 conducted, any simulcast races or games that are otherwise  
 370 displayed in the facility shall be displayed. In each area or  
 371 room, the retailer shall also provide a means for patrons to  
 372 wager on pari-mutuel activity.

373 Section 6. Section 24.128, Florida Statutes, is created to  
 374 read:

375 24.128 Licensure of video lottery terminal vendors.--Video  
 376 lottery terminal vendors shall be licensed by the department by  
 377 October 1, 2008. The department may adopt emergency rules under  
 378 ss. 120.536(1) and 120.54(4) to implement this section. The  
 379 department may not license a person as a video lottery terminal  
 380 vendor who has an interest in a video lottery retailer or a  
 381 business relationship with a video lottery retailer other than  
 382 as a vendor or lessor of video lottery terminals.

383 Section 7. Section 24.129, Florida Statutes, is created to  
 384 read:

385 24.129 Local zoning of pari-mutuel facilities.--The  
 386 installation, operation, or use of a video lottery terminal on  
 387 any property where pari-mutuel operations were or would have  
 388 been lawful under any county or municipal zoning ordinance on  
 389 July 1, 2007, does not change the character of the use of such  
 390 property. Such use is lawful and consistent with pari-mutuel  
 391 operations, and such use or the expansion or construction of

392 facilities to accommodate video lottery terminals on the  
 393 property is not subject to review or approval under land use,  
 394 zoning, or site plan review or concurrency law, ordinance, or  
 395 regulation by any governmental entity.

396 Section 8. Section 24.130, Florida Statutes, is created to  
 397 read:

398 24.130 Video lottery terminals.--

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

401 (2) Each video lottery terminal approved for use in this  
 402 state must:

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

405 (b) Have one or more mechanisms that accept currency,  
 406 coins, tokens, vouchers, or anything of value in exchange for  
 407 game credits. Such mechanisms must be designed to prevent  
 408 players from obtaining currency, coins, tokens, vouchers, or  
 409 anything of value, or from obtaining game credits, by physical  
 410 tampering.

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

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

416 Section 9. Section 24.131, Florida Statutes, is created to  
 417 read:

418 24.131 Video lottery terminal training program.--

419 (1) Each licensed video lottery terminal vendor shall

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420 submit a training program for the service and maintenance of  
421 terminals and equipment for approval by the department. The  
422 training program must include an outline of the training  
423 curriculum; a list of instructors and their qualifications; a  
424 copy of the instructional materials; and the dates, times, and  
425 location of training classes. A service and maintenance program  
426 may not be held unless approved by the department.

427 (2) Each video lottery terminal service employee must  
428 complete the requirements of the manufacturer's training program  
429 before performing service, maintenance, or repairs on video  
430 lottery terminals or associated equipment. Upon the successful  
431 completion of the training program by an employee, the  
432 department shall issue a certificate authorizing the employee to  
433 service, maintain, and repair video lottery terminals and  
434 associated equipment. A certificate of completion may not be  
435 issued to a person until the department determines that such  
436 person has completed the required training. Before being  
437 certified as a video lottery terminal service employee, a person  
438 must pass a background investigation conducted by the  
439 department. The department may revoke certification upon finding  
440 that a person is in violation of this chapter or department  
441 rule.

442 (3) The department may adopt rules regarding the training,  
443 qualifications, and certification of video lottery terminal  
444 service employees.

445 Section 10. Section 24.132, Florida Statutes, is created  
446 to read:

447 24.132 Video lottery retailer; agreements required.--



448       (1) A video lottery retailer who holds a permit under  
 449 chapter 550 to conduct pari-mutuel wagering meets of  
 450 thoroughbred racing may not conduct video lottery games unless  
 451 the retailer has on file with the division a binding written  
 452 agreement governing the payment of purses on live thoroughbred  
 453 racers conducted at the retailer's pari-mutuel facility between  
 454 the retailer and the association representing a majority of the  
 455 thoroughbred racehorse owners and trainers at that location. In  
 456 addition, a video lottery retailer may not conduct video lottery  
 457 games unless it has on file with the department a binding  
 458 written agreement between it and the Florida Thoroughbred  
 459 Breeders' Association, Inc., governing the payment of breeders',  
 460 stallion, and special racing awards on live thoroughbred races  
 461 conducted at the retailer's pari-mutuel facility.

462       (a) The agreement governing purses and the agreement  
 463 governing awards may direct the payment of such purses and  
 464 awards from revenues generated by any wagering or gaming that  
 465 the applicant is authorized to conduct.

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

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

476       (3) If an agreement required under subsection (1) is not  
477 in place, either party may request the American Arbitration  
478 Association to furnish a list of 11 arbitrators, each of whom  
479 shall have at least 5 years of commercial arbitration experience  
480 and no financial interest in or prior relationship with any of  
481 the parties or their affiliated or related entities or  
482 principals. Each party to the agreement shall select a single  
483 arbitrator from the list provided within 10 days after receipt  
484 of the list, and the arbitrators selected shall choose one  
485 additional arbitrator from the same list within the next 10  
486 days.

487       (a) If an agreement is not in place 60 days after the  
488 request for a list of arbitrators, the matter shall be  
489 immediately submitted for mandatory binding arbitration to  
490 resolve the disagreement between the parties. The three  
491 arbitrators selected shall constitute the panel that will  
492 arbitrate the dispute between the parties pursuant to the  
493 American Arbitration Association Commercial Arbitration Rules  
494 and chapter 682.

495       (b) At the conclusion of the proceedings, which must be  
496 within 90 days after requesting the list of arbitrators, the  
497 arbitration panel shall present a proposed agreement to the  
498 parties which the majority of the panel believes equitably  
499 balances the rights, interests, obligations, and reasonable  
500 expectations of the parties. The parties shall immediately enter  
501 into such agreement, which shall satisfy the requirements of  
502 subsection (1) and permit the conduct of video lottery games by  
503 the video lottery retailer. The agreement is effective until the

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504 last day of the license or renewal period or until the parties  
505 enter into a different agreement. Each party shall pay its  
506 respective costs of arbitration and one-half of the costs of the  
507 arbitration panel unless the parties have agreed otherwise. If  
508 the agreement remains in place 120 days before the scheduled  
509 issuance of the next annual license renewal, the arbitration  
510 process established in this subsection shall begin again.

511 (c) If neither of the agreements required under subsection  
512 (1) is in place, arbitration shall proceed independently with  
513 separate lists of arbitrators, arbitration panels, arbitration  
514 proceedings, and resulting agreements.

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

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

522 (a) An amount equal to 12.5 percent of the net terminal  
523 income shall be paid to thoroughbred pari-mutuel permitholders  
524 that are licensed to conduct live races for purses. If more than  
525 one permitholder is licensed to conduct live races during the  
526 state thoroughbred racing season, the video lottery retailer  
527 shall allocate these funds between the operating permitholders  
528 on a pro rata basis based on the total live handle generated  
529 during the previous racing season at the operating  
530 permitholders' facilities. An amount equal to 7.5 percent of the  
531 purse account generated under this paragraph shall be used for

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532 Florida Owners' Awards pursuant to an agreement executed by the  
533 permitholder, the Florida Thoroughbred Breeders' Association,  
534 Inc., and the association representing a majority of the  
535 thoroughbred racehorse owners and trainers at the permitholder's  
536 facility. If an agreement is not reached 60 days before the  
537 commencement of the permitholder's racing meet, the funds shall  
538 be used for overnight purses.

539 (b) An amount equal to 1.25 percent of the net terminal  
540 income shall be paid for breeders', stallion, or special racing  
541 awards. The Florida Thoroughbred Breeders' Association, Inc.,  
542 may receive these payments from the video lottery retailer and  
543 make payments of awards earned. The Florida Thoroughbred  
544 Breeders' Association, Inc., may withhold up to 10 percent of  
545 the permitholder's payments under this paragraph as a fee for  
546 administering the payments of awards and for the general  
547 promotion of the industry. The video lottery retailer shall make  
548 weekly payments to the permitholders and to Florida Thoroughbred  
549 Breeders' Association, Inc., at the same time it remits its  
550 allocation to the department.

551 Section 11. Section 24.133, Florida Statutes, is created  
552 to read:

553 24.133 Notice of availability of assistance for compulsive  
554 gambling required.--

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

558  
559 "IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM, HELP IS

560 AVAILABLE. CALL 1-800-426-7711."

561

562 (2) The department may approve additional toll-free  
 563 numbers to ensure compliance with this section.

564 Section 12. Section 24.134, Florida Statutes, is created  
 565 to read:

566 24.134 Compulsive gambling prevention program.--

567 (1) Each video lottery retailer shall offer training to  
 568 employees on responsible gaming and shall work with a compulsive  
 569 gambling prevention program to recognize problem gaming  
 570 situations and to implement responsible gaming programs and  
 571 practices.

572 (2) The department shall, subject to competitive bidding,  
 573 contract for the provision of services related to the prevention  
 574 of compulsive gambling. The contract shall provide for an  
 575 advertising program to encourage responsible gaming practices  
 576 and to publicize a gambling telephone help line. Such  
 577 advertisements must be made both publicly and inside the gaming  
 578 areas of the video lottery retailers' facilities. The terms of  
 579 any contract for the provision of such services shall include  
 580 accountability standards that must be met by any private  
 581 provider. The failure of any private provider to meet any  
 582 material terms of the contract, including the accountability  
 583 standards, shall constitute a breach of contract or grounds for  
 584 nonrenewal.

585 Section 13. Section 24.136, Florida Statutes, is created  
 586 to read:

587 24.136 Video lottery retailer caterer's license.--A video

588 lottery retailer is entitled to a caterer's license pursuant to  
589 s. 565.02 on days on which the pari-mutuel facility is open to  
590 the public for video lottery play as authorized by this chapter.

591 Section 14. Section 24.137, Florida Statutes, is created  
592 to read:

593 24.137 Other prohibited activities.--

594 (1) Complimentary or reduced-cost alcoholic beverages may  
595 not be served to a person playing a video lottery terminal.  
596 Alcoholic beverages served to a person playing a video lottery  
597 terminal shall cost at least the same amount as alcoholic  
598 beverages served to the general public at a bar within the  
599 facility.

600 (2) A video lottery retailer may not allow any automated  
601 teller machine or similar device that provides credit or  
602 dispenses cash to be located in the area where video lottery  
603 terminal gaming may be conducted pursuant to this chapter, nor  
604 may such retailer make loans, provide credit, or advance cash to  
605 enable a person to play a video lottery terminal. However,  
606 automated ticket redemption machines that dispense cash for the  
607 redemption of tickets may be located in such areas.

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

611 (4) A video lottery terminal located within a video  
612 lottery retailer's facility shall accept only tickets or paper  
613 currency or an electronic payment system for wagering and shall  
614 return or deliver payouts to the player in the form of tickets  
615 that may be exchanged for cash, merchandise, or other items of

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616 value. The use of coins, credit or debit cards, tokens, or  
617 similar objects is prohibited. However, an electronic credit  
618 system may be used for receiving wagers and making payouts.

619 Section 15. Section 24.138, Florida Statutes, is created  
620 to read:

621 24.138 Exclusions of certain persons.--In addition to the  
622 power to exclude certain persons from any facility of a video  
623 lottery retailer in this state, the department may exclude any  
624 person for conduct that would constitute, if the person were a  
625 licensee, a violation of this chapter, chapter 550, chapter 551,  
626 or a department rule. The department may exclude from any  
627 facility of a video lottery retailer any person who has been  
628 ejected from a facility of a video lottery retailer or slot  
629 machine licensee in this or any other state by the governmental  
630 department, agency, commission, or authority that regulates  
631 gaming in that state. This section does not abrogate the common  
632 law right of a video lottery retailer to exclude a patron  
633 absolutely in this state.

634 Section 16. Section 24.139, Florida Statutes, is created  
635 to read:

636 24.139 Department office space.--A video lottery retailer  
637 shall provide adequate office space at no cost to the department  
638 for the oversight of video lottery terminal operations. The  
639 department shall adopt rules establishing the criteria for  
640 adequate space, configuration, and needed electronic and  
641 technological requirements for office space required by this  
642 section.

643 Section 17. Subsection (24) of section 212.02, Florida

644 Statues, is amended to read:

645       212.02 Definitions.--The following terms and phrases when  
646 used in this chapter have the meanings ascribed to them in this  
647 section, except where the context clearly indicates a different  
648 meaning:

649       (24) "Coin-operated amusement machine" means any machine  
650 operated by coin, slug, token, coupon, or similar device for the  
651 purposes of entertainment or amusement. The term includes, but  
652 is not limited to, coin-operated pinball machines, music  
653 machines, juke boxes, mechanical games, video games, arcade  
654 games, billiard tables, moving picture viewers, shooting  
655 galleries, and all other similar amusement devices. The term  
656 does not include a video lottery terminal operated pursuant to  
657 chapter 24.

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

660       1011.62 Funds for operation of schools.--If the annual  
661 allocation from the Florida Education Finance Program to each  
662 district for operation of schools is not determined in the  
663 annual appropriations act or the substantive bill implementing  
664 the annual appropriations act, it shall be determined as  
665 follows:

666       (4) COMPUTATION OF DISTRICT REQUIRED LOCAL EFFORT.--The  
667 Legislature shall prescribe the aggregate required local effort  
668 for all school districts collectively as an item in the General  
669 Appropriations Act for each fiscal year. The estimated video  
670 lottery terminal net income that is remitted to the Operating  
671 Trust Fund for transfer to the Educational Enhancement Trust



672 Fund pursuant to s. 24.127(7) for the fiscal year shall be  
673 subtracted from the aggregate required local effort. The amount  
674 that each district shall provide annually toward the cost of the  
675 Florida Education Finance Program for kindergarten through grade  
676 12 programs shall be calculated as follows:

677 (a) Estimated taxable value calculations.--

678 1.a. Not later than 2 working days prior to July 19, the  
679 Department of Revenue shall certify to the Commissioner of  
680 Education its most recent estimate of the taxable value for  
681 school purposes in each school district and the total for all  
682 school districts in the state for the current calendar year  
683 based on the latest available data obtained from the local  
684 property appraisers. Not later than July 19, the Commissioner of  
685 Education shall compute a millage rate, rounded to the next  
686 highest one one-thousandth of a mill, which, when applied to 95  
687 percent of the estimated state total taxable value for school  
688 purposes, would generate the prescribed aggregate required local  
689 effort for that year for all districts. The Commissioner of  
690 Education shall certify to each district school board the  
691 millage rate, computed as prescribed in this subparagraph, as  
692 the minimum millage rate necessary to provide the district  
693 required local effort for that year.

694 b. The General Appropriations Act shall direct the  
695 computation of the statewide adjusted aggregate amount for  
696 required local effort for all school districts collectively from  
697 ad valorem taxes to ensure that no school district's revenue  
698 from required local effort millage will produce more than 90  
699 percent of the district's total Florida Education Finance

700 Program calculation, and the adjustment of the required local  
 701 effort millage rate of each district that produces more than 90  
 702 percent of its total Florida Education Finance Program  
 703 entitlement to a level that will produce only 90 percent of its  
 704 total Florida Education Finance Program entitlement in the July  
 705 calculation.

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

709 (b) Final calculation.--

710 1. On September 1 of each year, the Department of Revenue  
 711 shall certify to the Commissioner of Education the total of the  
 712 prior year final taxable value for school purposes in each  
 713 school district and the total for all school districts in the  
 714 state. The commissioner shall use the final taxable value  
 715 certified on September 1 for school purposes for each school  
 716 district in the final calculation of the annual Florida  
 717 Education Finance Program allocations.

718 2. For purposes of this paragraph, the final taxable value  
 719 for school purposes shall be the taxable value for school  
 720 purposes on which the tax bills are computed and mailed to the  
 721 taxpayers, adjusted to reflect final administrative actions of  
 722 value adjustment boards and judicial decisions pursuant to  
 723 chapter 194. For each county that has not submitted a revised  
 724 tax roll reflecting final value adjustment board actions and  
 725 final judicial decisions, the Department of Revenue shall  
 726 certify the most recent revision of the taxable value for school  
 727 purposes. The value certified on September 1 shall be the final

728 taxable value for school purposes for that year, and no further  
 729 adjustments shall be made, except those made pursuant to  
 730 paragraph (11) (b) .

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

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

736 2. The Commissioner of Education shall adjust the required  
 737 local effort millage of each district for the current year,  
 738 computed pursuant to paragraph (a), as follows:

739 a. The equalization factor for the prior year's assessment  
 740 roll of each district shall be multiplied by 95 percent of the  
 741 taxable value for school purposes shown on that roll and by the  
 742 prior year's required local-effort millage, exclusive of any  
 743 equalization adjustment made pursuant to this paragraph. The  
 744 dollar amount so computed shall be the additional required local  
 745 effort for equalization for the current year.

746 b. Such equalization factor shall be computed as the  
 747 quotient of the prior year's assessment level of the state as a  
 748 whole divided by the prior year's assessment level of the  
 749 county, from which quotient shall be subtracted 1.

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

755 3. Notwithstanding the limitations imposed pursuant to s.

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756 1011.71(1), the total required local-effort millage, including  
757 additional required local effort for equalization, shall be an  
758 amount not to exceed 10 minus the maximum millage allowed as  
759 nonvoted discretionary millage, exclusive of millage authorized  
760 pursuant to s. 1011.71(2). Nothing herein shall be construed to  
761 allow a millage in excess of that authorized in s. 9, Art. VII  
762 of the State Constitution.

763 4. For the purposes of this chapter, the term "assessment  
764 level" means the value-weighted mean assessment ratio for the  
765 county or state as a whole, as determined pursuant to s.  
766 195.096, or as subsequently adjusted. However, for those parcels  
767 studied pursuant to s. 195.096(3)(a)1. which are receiving the  
768 assessment limitation set forth in s. 193.155, and for which the  
769 assessed value is less than the just value, the department shall  
770 use the assessed value in the numerator and the denominator of  
771 such assessment ratio. In the event a court has adjudicated that  
772 the department failed to establish an accurate estimate of an  
773 assessment level of a county and recomputation resulting in an  
774 accurate estimate based upon the evidence before the court was  
775 not possible, that county shall be presumed to have an  
776 assessment level equal to that of the state as a whole.

777 5. If, in the prior year, taxes were levied against an  
778 interim assessment roll pursuant to s. 193.1145, the assessment  
779 level and prior year's nonexempt assessed valuation used for the  
780 purposes of this paragraph shall be those of the interim  
781 assessment roll.

782 (d) Exclusion.--

783 1. In those instances in which:

784 a. There is litigation either attacking the authority of  
 785 the property appraiser to include certain property on the tax  
 786 assessment roll as taxable property or contesting the assessed  
 787 value of certain property on the tax assessment roll, and

788 b. The assessed value of the property in contest involves  
 789 more than 6 percent of the total nonexempt assessment roll, the  
 790 plaintiff shall provide to the district school board of the  
 791 county in which the property is located and to the Department of  
 792 Education a certified copy of the petition and receipt for the  
 793 good faith payment at the time they are filed with the court.

794 2. For purposes of computing the required local effort for  
 795 each district affected by such petition, the Department of  
 796 Education shall exclude from the district's total nonexempt  
 797 assessment roll the assessed value of the property in contest  
 798 and shall add the amount of the good faith payment to the  
 799 district's required local effort.

800 (e) Recomputation.--Following final adjudication of any  
 801 litigation on the basis of which an adjustment in taxable value  
 802 was made pursuant to paragraph (d), the department shall  
 803 recompute the required local effort for each district for each  
 804 year affected by such adjustments, utilizing taxable values  
 805 approved by the court, and shall adjust subsequent allocations  
 806 to such districts accordingly.

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

809 550.09515 Thoroughbred horse taxes; abandoned interest in  
 810 a permit for nonpayment of taxes.--

811 (8) Notwithstanding any other provision in this chapter, a

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812 thoroughbred permit that has been revoked by the division  
813 heretofore or hereafter pursuant to s. 550.5251 or has escheated  
814 to the state pursuant to this section shall be deemed to  
815 continue in existence and held by the division in abeyance  
816 subject to reissuance pursuant to this subsection. Any such  
817 permit shall be subject to reissuance by the division and shall  
818 be reissued to a qualified applicant for use at the same  
819 facility at which the permit was last operated as a thoroughbred  
820 permit. The prior holder of any revoked or escheated  
821 thoroughbred permit rendered subject to reissuance by this  
822 subsection shall not be disqualified for receipt of a reissued  
823 thoroughbred permit if the primary reason for the revocation or  
824 escheat of the thoroughbred permit was for any reason other than  
825 the prior holder's disqualification on grounds of moral  
826 turpitude. Nonpayment of taxes on handle shall not be considered  
827 a ground of moral turpitude. If more than one applicant applies  
828 for reissuance of a thoroughbred permit pursuant to the terms  
829 and conditions of this subsection, the division shall give  
830 preference to an applicant not currently in possession of  
831 another pari-mutuel permit issued pursuant to this chapter. Any  
832 permit reissued pursuant to this section shall be treated for  
833 purposes of determining its eligibility to be a video lottery  
834 retailer as if it had run a schedule of live racing during  
835 fiscal year 2007-2008 and been licensed to run a full schedule  
836 of live racing as of January 1, 2007.

837 Section 20. For the 2008-2009 fiscal year, the sum of \$10  
838 million in recurring funds is appropriated from the Operating  
839 Trust Fund in the Department of the Lottery and 24 full-time

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840 equivalent positions and associated salary rate of 1,276,000 are  
841 authorized to implement the provisions of this act.

842 Section 21. This act shall take effect upon becoming a  
843 law.