

By Senator Diaz de la Portilla

36-03786-08

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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,

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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

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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 operations  
79 | which would benefit the state and its education system, and

80 |       WHEREAS, the limited authorization of "video lottery  
81 | retailers" at existing pari-mutuel facilities would ensure that  
82 | the state would continue to recover taxes associated with pari-  
83 | mutuel facilities that the state has enjoyed for over 50 years,  
84 | NOW, THEREFORE,

85 |

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

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

90 24.103 Definitions.--As used in this act:

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

109 (8) "Video lottery terminal" means a mechanical,  
110 electronic, computerized gaming device that is a technological  
111 machine capable of being linked to a centralized computer  
112 management system for regulating, managing, and auditing the  
113 operation, financial data, and program information, as required  
114 by the department. A video lottery terminal may be activated by  
115 insertion of a coin, bill, ticket, token, or similar object or  
116 upon payment of any consideration whatsoever, including the use

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117 of any electronic payment system except a credit card or debit  
118 card, and may entitle the person playing or operating the  
119 terminal to receive or may deliver to the person cash, billets,  
120 tickets, tokens, or electronic credits to be exchanged for cash.

121 For purposes of this subsection:

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

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

129  
130 A video lottery terminal is not a coin-operated amusement machine  
131 as defined in s. 212.02(24) and does not include an amusement  
132 game or machine as described in s. 849.161.

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

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

142 (11) "Video lottery retailer" means a pari-mutuel  
143 permitholder under chapter 550 who holds a license to conduct a  
144 full schedule of live racing or games, as described in s.  
145 550.002(11), and:

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146       (a) Whose facility is located on a site that is within 40  
147 miles of an operating tribal casino that was in existence on or  
148 before January 1, 2007; or

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

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

158       24.105 Powers and duties of department.--The department  
159 shall:

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

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

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

167       (24) Certify net terminal income of video lottery retailers  
168 by inspecting records or conducting audits or by any other  
169 reasonable means.

170       (25) Maintain a list of licensed video lottery terminal  
171 vendors and a current list of all contracts between video lottery  
172 terminal vendors and video lottery retailers.

173       (26) Approve an application for a video lottery retailer  
174 within 90 days after receipt of the application. A person meets

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175 all qualifications of licensure under this section if the person  
176 has been licensed under chapter 550 and meets the definition of a  
177 video lottery retailer under s. 24.103(11).

178 (27) Adopt procedures by rule for scientifically testing  
179 and technically evaluating video lottery terminals for compliance  
180 with this chapter. The department may contract with an  
181 independent testing laboratory to scientifically test and  
182 technically evaluate video lottery games, video lottery  
183 terminals, and video lottery operating systems for compliance  
184 with this chapter. The independent testing laboratory must have a  
185 national reputation as demonstrably competent and qualified to  
186 scientifically test and evaluate all components of a video  
187 lottery gaming system and to otherwise perform all functions  
188 assigned to it under this chapter. The laboratory may not be  
189 owned or controlled by a video lottery terminal vendor or video  
190 lottery retailer. The selection of an independent testing  
191 laboratory shall be made from a list of one or more laboratories  
192 approved and licensed by the department.

193 Section 3. Section 24.125, Florida Statutes, is created to  
194 read:

195 24.125 Rules authorized.--

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

198 (a) The regulation of video lottery retailers, video  
199 lottery terminal vendors, video lottery games, and video lottery  
200 products.

201 (b) Specifications for approving and authorizing video  
202 lottery terminals in order to maintain the integrity of video  
203 lottery games and terminals. The specifications may not limit the

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204 number of video lottery terminal vendors who supply terminals to  
205 fewer than four.

206 (c) Hearing and approving or disapproving video-lottery-  
207 related license applications, and enforcement procedures related  
208 to suspension and revocation of licenses.

209 (d) The collection and disbursement of video lottery  
210 revenue.

211 (e) The certification of net terminal income of video  
212 lottery retailers.

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

218 Section 4. Section 24.126, Florida Statutes, is created to  
219 read:

220 24.126 Video lottery; minimum age.--

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

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

225  
226 THE USE OF A VIDEO LOTTERY TERMINAL BY PERSONS UNDER THE AGE OF  
227 21 IS AGAINST FLORIDA LAW. PROOF OF AGE IS REQUIRED FOR USE.

228  
229 (3) Any person who violates this section commits a  
230 misdemeanor of the second degree, punishable as provided in s.  
231 775.082 or s. 775.083.

232 Section 5. Section 24.127, Florida Statutes, is created to



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233 read:

234 24.127 Video lottery games.--

235 (1) Video lottery games may be offered by a video lottery  
236 retailer only at the pari-mutuel facility at which the video  
237 lottery retailer is licensed to conduct pari-mutuel wagering, or  
238 at its relocated licensed pari-mutuel facility if the relocation  
239 of such facility has been approved by the Division of Pari-mutuel  
240 Wagering pursuant to s. 550.0555. During any calendar year in  
241 which a video lottery retailer maintains video lottery terminals,  
242 the retailer must be licensed to conduct a full schedule of live  
243 racing or games, as defined in s. 550.002(11), including the  
244 conduct of racing or games under s. 550.475, or be authorized to  
245 receive broadcasts of horseraces under s. 550.6308. The  
246 department shall waive such requirements upon a showing that the  
247 failure to conduct racing or games resulted from a natural  
248 disaster, strike, or other act beyond the control of the  
249 permitholder, including legal restrictions or prohibitions placed  
250 on the permitholder's activities. If the retailer does not comply  
251 with the requirement to conduct a full schedule of racing or  
252 games for any other reason, the department shall order the  
253 retailer to suspend its video lottery operation. The department  
254 may assess an administrative fine, not to exceed \$5,000 per video  
255 lottery terminal per day, against any retailer who does not  
256 suspend its video lottery operation when ordered to do so by the  
257 department. The department may enforce a suspension order or  
258 administrative fine as provided in s. 120.69. Each video lottery  
259 retailer shall post a bond payable to the state in an amount  
260 determined by the department as sufficient to guarantee the  
261 payment of revenue due in any payment period. The initial bond

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262 prior to commencement of operations by the video lottery retailer  
263 shall be \$2 million, issued by a surety approved by the  
264 department, conditioned to make the payments to the department.  
265 The bond shall be separate from the bond required by s. 550.125.

266 (2) Each video lottery retailer shall determine the  
267 following pertaining to the video lottery terminals located on  
268 its premises:

269 (a) Number of video lottery terminals, not to exceed 1,000  
270 at any pari-mutuel facility; however, any pari-mutuel facility  
271 that also holds a slot machine license is limited to a  
272 combination of video lottery terminals and slot machines equal to  
273 the maximum number of slot machines authorized for such facility.

274 (b) Dates and hours during which the video lottery  
275 terminals are available for play, not to exceed 16 hours a day,  
276 except that the hours of operation may be extended by majority  
277 vote of the governing body of the municipality where the retailer  
278 is located or the governing body of the county if the retailer is  
279 not located in a municipality.

280 (c) Mix of games available for play on video lottery  
281 terminals.

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

284 (e) Location and movement of video lottery terminals on the  
285 premises.

286 (f) Staffing of video lottery terminal operations on the  
287 premises.

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

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291 credits, vouchers, or anything of value put into a video lottery  
292 terminal.

293 (3) Each video lottery retailer shall notify the department  
294 before commencing the initial operation of video lottery games.

295 (4) To facilitate the auditing and security programs that  
296 are critical to the integrity of the video lottery system, the  
297 department shall have overall control of the entire system. Each  
298 video lottery terminal shall be linked, directly or indirectly,  
299 to a computer system operated by the department or by a vendor  
300 contracting with the department.

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

304 (6) Upon submission of the initial application for a video  
305 lottery retailer license and annually thereafter on the  
306 anniversary date of the issuance of the initial license, the  
307 licensee must pay a nonrefundable license fee of \$3 million to  
308 the department. The license fee shall be deposited into the  
309 Operating Trust Fund of the Department of the Lottery to be used  
310 by the department to administer this act.

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

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

317 (b) An amount equal to 0.50 percent of net terminal income  
318 shall be paid by the video lottery retailer to the department to  
319 administer and regulate the operation of video lottery terminals.

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320 Funds in excess of the department's administrative costs shall be  
321 transferred to the Educational Enhancement Trust Fund.

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

326 (d) In the absence of a contractual agreement with the  
327 municipality for an alternative remittance amount, an amount  
328 equal to 0.925 percent of net terminal income shall be remitted  
329 to the municipality if the facility is located in a municipality.

330  
331 Notwithstanding any local agreements to the contrary, pari-mutuel  
332 facilities authorized to have slot machines pursuant to s. 23,  
333 Art. X of the State Constitution shall be required to pay no more  
334 than the percentages specified in paragraphs (c) and (d). If  
335 necessary to comply with any covenant established pursuant to s.  
336 1013.68(4), s. 1013.70(1), or s. 1013.737(3), funds transferred  
337 to the Educational Enhancement Trust Fund under paragraph (b)  
338 shall first be available to pay debt service on lottery bonds  
339 issued to fund school construction in the event lottery revenues  
340 are insufficient for such purpose or to satisfy debt service  
341 reserve requirements established in connection with lottery  
342 bonds. Such funds are subject to annual appropriation by the  
343 Legislature.

344 (8) The allocation provided in subsection (7) shall be made  
345 weekly. Amounts allocated shall be remitted to the department by  
346 electronic transfer within 24 hours after the allocation is  
347 determined.

348 (9) Any person who intentionally manipulates or attempts to

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349 manipulate the outcome, payoff, or operation of a video lottery  
350 terminal by physical or electronic tampering or other means  
351 commits a felony of the third degree, punishable as provided in  
352 s. 775.082, s. 775.083, or s. 775.084.

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

355 (11) In the area or room in a facility in which a video  
356 lottery terminal is placed, the video lottery retailer shall also  
357 place video monitors displaying live races or games being  
358 conducted in that facility. If live races or games are not being  
359 conducted, any simulcast races or games that are otherwise  
360 displayed in the facility shall be displayed. In each area or  
361 room, the retailer shall also provide a means for patrons to  
362 wager on pari-mutuel activity.

363 Section 6. Section 24.128, Florida Statutes, is created to  
364 read:

365 24.128 Licensure of video lottery terminal vendors.--Video  
366 lottery terminal vendors shall be licensed by the department by  
367 October 1, 2008. The department may adopt emergency rules under  
368 ss. 120.536(1) and 120.54(4) to implement this section. The  
369 department may not license a person as a video lottery terminal  
370 vendor who has an interest in a video lottery retailer or a  
371 business relationship with a video lottery retailer other than as  
372 a vendor or lessor of video lottery terminals.

373 Section 7. Section 24.129, Florida Statutes, is created to  
374 read:

375 24.129 Local zoning of pari-mutuel facilities.--The  
376 installation, operation, or use of a video lottery terminal on  
377 any property where pari-mutuel operations were or would have been

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378 lawful under any county or municipal zoning ordinance on July 1,  
379 2007, does not change the character of the use of such property.  
380 Such use is lawful and consistent with pari-mutuel operations,  
381 and such use or the expansion or construction of facilities to  
382 accommodate video lottery terminals on the property is not  
383 subject to review or approval under land use, zoning, or site  
384 plan review or concurrency law, ordinance, or regulation by any  
385 governmental entity.

386 Section 8. Section 24.130, Florida Statutes, is created to  
387 read:

388 24.130 Video lottery terminals.--

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

391 (2) Each video lottery terminal approved for use in this  
392 state must:

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

395 (b) Have one or more mechanisms that accept currency,  
396 coins, tokens, vouchers, or anything of value in exchange for  
397 game credits. Such mechanisms must be designed to prevent players  
398 from obtaining currency, coins, tokens, vouchers, or anything of  
399 value, or from obtaining game credits, by physical tampering.

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

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

405 Section 9. Section 24.131, Florida Statutes, is created to  
406 read:

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407 24.131 Video lottery terminal training program.--

408 (1) Each licensed video lottery terminal vendor shall  
409 submit a training program for the service and maintenance of  
410 terminals and equipment for approval by the department. The  
411 training program must include an outline of the training  
412 curriculum; a list of instructors and their qualifications; a  
413 copy of the instructional materials; and the dates, times, and  
414 location of training classes. A service and maintenance program  
415 may not be held unless approved by the department.

416 (2) Each video lottery terminal service employee must  
417 complete the requirements of the manufacturer's training program  
418 before performing service, maintenance, or repairs on video  
419 lottery terminals or associated equipment. Upon the successful  
420 completion of the training program by an employee, the department  
421 shall issue a certificate authorizing the employee to service,  
422 maintain, and repair video lottery terminals and associated  
423 equipment. A certificate of completion may not be issued to a  
424 person until the department determines that such person has  
425 completed the required training. Before being certified as a  
426 video lottery terminal service employee, a person must pass a  
427 background investigation conducted by the department. The  
428 department may revoke certification upon finding that a person is  
429 in violation of this chapter or department rule.

430 (3) The department may adopt rules regarding the training,  
431 qualifications, and certification of video lottery terminal  
432 service employees.

433 Section 10. Section 24.132, Florida Statutes, is created to  
434 read:

435 24.132 Video lottery retailer; agreements required.--

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436       (1) A video lottery retailer who holds a permit under  
437 chapter 550 to conduct pari-mutuel wagering meets of thoroughbred  
438 racing may not conduct video lottery games unless the retailer  
439 has on file with the division a binding written agreement  
440 governing the payment of purses on live thoroughbred races  
441 conducted at the retailer's pari-mutuel facility between the  
442 retailer and the association representing a majority of the  
443 thoroughbred racehorse owners and trainers at that location. In  
444 addition, a video lottery retailer may not conduct video lottery  
445 games unless it has on file with the department a binding written  
446 agreement between it and the Florida Thoroughbred Breeders'  
447 Association, Inc., governing the payment of breeders', stallion,  
448 and special racing awards on live thoroughbred races conducted at  
449 the retailer's pari-mutuel facility.

450       (a) The agreement governing purses and the agreement  
451 governing awards may direct the payment of such purses and awards  
452 from revenues generated by any wagering or gaming that the  
453 applicant is authorized to conduct.

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

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

464       (3) If an agreement required under subsection (1) is not in



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465 place, either party may request the American Arbitration  
466 Association to furnish a list of 11 arbitrators, each of whom  
467 shall have at least 5 years of commercial arbitration experience  
468 and no financial interest in or prior relationship with any of  
469 the parties or their affiliated or related entities or  
470 principals. Each party to the agreement shall select a single  
471 arbitrator from the list provided within 10 days after receipt of  
472 the list, and the arbitrators selected shall choose one  
473 additional arbitrator from the same list within the next 10 days.

474 (a) If an agreement is not in place 60 days after the  
475 request for a list of arbitrators, the matter shall be  
476 immediately submitted for mandatory binding arbitration to  
477 resolve the disagreement between the parties. The three  
478 arbitrators selected shall constitute the panel that will  
479 arbitrate the dispute between the parties pursuant to the  
480 American Arbitration Association Commercial Arbitration Rules and  
481 chapter 682.

482 (b) At the conclusion of the proceedings, which must be  
483 within 90 days after requesting the list of arbitrators, the  
484 arbitration panel shall present a proposed agreement to the  
485 parties which the majority of the panel believes equitably  
486 balances the rights, interests, obligations, and reasonable  
487 expectations of the parties. The parties shall immediately enter  
488 into such agreement, which shall satisfy the requirements of  
489 subsection (1) and permit the conduct of video lottery games by  
490 the video lottery retailer. The agreement is effective until the  
491 last day of the license or renewal period or until the parties  
492 enter into a different agreement. Each party shall pay its  
493 respective costs of arbitration and one-half of the costs of the

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494 arbitration panel unless the parties have agreed otherwise. If  
495 the agreement remains in place 120 days before the scheduled  
496 issuance of the next annual license renewal, the arbitration  
497 process established in this subsection shall begin again.

498 (c) If neither of the agreements required under subsection  
499 (1) is in place, arbitration shall proceed independently with  
500 separate lists of arbitrators, arbitration panels, arbitration  
501 proceedings, and resulting agreements.

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

505 (4) A video lottery retailer who holds a limited intertrack  
506 waging license pursuant to s. 550.6308 shall make the following  
507 payments for the promotion and welfare of the thoroughbred racing  
508 industry:

509 (a) An amount equal to 12.5 percent of the net terminal  
510 income shall be paid to thoroughbred pari-mutuel permitholders  
511 that are licensed to conduct live races for purses. If more than  
512 one permitholder is licensed to conduct live races during the  
513 state thoroughbred racing season, the video lottery retailer  
514 shall allocate these funds between the operating permitholders on  
515 a pro rata basis based on the total live handle generated during  
516 the previous racing season at the operating permitholders'  
517 facilities. An amount equal to 7.5 percent of the purse account  
518 generated under this paragraph shall be used for Florida Owners'  
519 Awards pursuant to an agreement executed by the permitholder, the  
520 Florida Thoroughbred Breeders' Association, Inc., and the  
521 association representing a majority of the thoroughbred racehorse  
522 owners and trainers at the permitholder's facility. If an

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523 agreement is not reached 60 days before the commencement of the  
524 permitholder's racing meet, the funds shall be used for overnight  
525 purses.

526 (b) An amount equal to 1.25 percent of the net terminal  
527 income shall be paid for breeders', stallion, or special racing  
528 awards. The Florida Thoroughbred Breeders' Association, Inc., may  
529 receive these payments from the video lottery retailer and make  
530 payments of awards earned. The Florida Thoroughbred Breeders'  
531 Association, Inc., may withhold up to 10 percent of the  
532 permitholder's payments under this paragraph as a fee for  
533 administering the payments of awards and for the general  
534 promotion of the industry. The video lottery retailer shall make  
535 weekly payments to the permitholders and to Florida Thoroughbred  
536 Breeders' Association, Inc., at the same time it remits its  
537 allocation to the department.

538 Section 11. Section 24.133, Florida Statutes, is created to  
539 read:

540 24.133 Notice of availability of assistance for compulsive  
541 gambling required.--

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

545  
546 "IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM, HELP IS  
547 AVAILABLE. CALL 1-800-426-7711."

548  
549 (2) The department may approve additional toll-free numbers  
550 to ensure compliance with this section.

551 Section 12. Section 24.134, Florida Statutes, is created to

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552 read:

553 24.134 Compulsive gambling prevention program.--

554 (1) Each video lottery retailer shall offer training to  
555 employees on responsible gaming and shall work with a compulsive  
556 gambling prevention program to recognize problem gaming  
557 situations and to implement responsible gaming programs and  
558 practices.

559 (2) The department shall, subject to competitive bidding,  
560 contract for the provision of services related to the prevention  
561 of compulsive gambling. The contract shall provide for an  
562 advertising program to encourage responsible gaming practices and  
563 to publicize a gambling telephone help line. Such advertisements  
564 must be made both publicly and inside the gaming areas of the  
565 video lottery retailers' facilities. The terms of any contract  
566 for the provision of such services shall include accountability  
567 standards that must be met by any private provider. The failure  
568 of any private provider to meet any material terms of the  
569 contract, including the accountability standards, shall  
570 constitute a breach of contract or grounds for nonrenewal.

571 Section 13. Section 24.136, Florida Statutes, is created to  
572 read:

573 24.136 Video lottery retailer caterer's license.--A video  
574 lottery retailer is entitled to a caterer's license pursuant to  
575 s. 565.02 on days on which the pari-mutuel facility is open to  
576 the public for video lottery play as authorized by this chapter.

577 Section 14. Section 24.137, Florida Statutes, is created to  
578 read:

579 24.137 Other prohibited activities.--580 (1) Complimentary or reduced-cost alcoholic beverages may

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581 not be served to a person playing a video lottery terminal.  
582 Alcoholic beverages served to a person playing a video lottery  
583 terminal shall cost at least the same amount as alcoholic  
584 beverages served to the general public at a bar within the  
585 facility.

586 (2) A video lottery retailer may not allow any automated  
587 teller machine or similar device that provides credit or  
588 dispenses cash to be located in the area where video lottery  
589 terminal gaming may be conducted pursuant to this chapter, nor  
590 may such retailer make loans, provide credit, or advance cash to  
591 enable a person to play a video lottery terminal. However,  
592 automated ticket redemption machines that dispense cash for the  
593 redemption of tickets may be located in such areas.

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

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

605 Section 15. Section 24.138, Florida Statutes, is created to  
606 read:

607 24.138 Exclusions of certain persons.--In addition to the  
608 power to exclude certain persons from any facility of a video  
609 lottery retailer in this state, the department may exclude any

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610 person for conduct that would constitute, if the person were a  
611 licensee, a violation of this chapter, chapter 550, chapter 551,  
612 or a department rule. The department may exclude from any  
613 facility of a video lottery retailer any person who has been  
614 ejected from a facility of a video lottery retailer or slot  
615 machine licensee in this or any other state by the governmental  
616 department, agency, commission, or authority that regulates  
617 gaming in that state. This section does not abrogate the common  
618 law right of a video lottery retailer to exclude a patron  
619 absolutely in this state.

620 Section 16. Section 24.139, Florida Statutes, is created to  
621 read:

622 24.139 Department office space.--A video lottery retailer  
623 shall provide adequate office space at no cost to the department  
624 for the oversight of video lottery terminal operations. The  
625 department shall adopt rules establishing the criteria for  
626 adequate space, configuration, and needed electronic and  
627 technological requirements for office space required by this  
628 section.

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

631 212.02 Definitions.--The following terms and phrases when  
632 used in this chapter have the meanings ascribed to them in this  
633 section, except where the context clearly indicates a different  
634 meaning:

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

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639 juke boxes, mechanical games, video games, arcade games, billiard  
640 tables, moving picture viewers, shooting galleries, and all other  
641 similar amusement devices. The term does not include a video  
642 lottery terminal operated pursuant to chapter 24.

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

645 1011.62 Funds for operation of schools.--If the annual  
646 allocation from the Florida Education Finance Program to each  
647 district for operation of schools is not determined in the annual  
648 appropriations act or the substantive bill implementing the  
649 annual appropriations act, it shall be determined as follows:

650 (4) COMPUTATION OF DISTRICT REQUIRED LOCAL EFFORT.--The  
651 Legislature shall prescribe the aggregate required local effort  
652 for all school districts collectively as an item in the General  
653 Appropriations Act for each fiscal year. The estimated video  
654 lottery terminal net income that is remitted to the Operating  
655 Trust Fund for transfer to the Educational Enhancement Trust Fund  
656 pursuant to s. 24.127(7) for the fiscal year shall be subtracted  
657 from the aggregate required local effort. The amount that each  
658 district shall provide annually toward the cost of the Florida  
659 Education Finance Program for kindergarten through grade 12  
660 programs shall be calculated as follows:

661 (a) Estimated taxable value calculations.--

662 1.a. Not later than 2 working days prior to July 19, the  
663 Department of Revenue shall certify to the Commissioner of  
664 Education its most recent estimate of the taxable value for  
665 school purposes in each school district and the total for all  
666 school districts in the state for the current calendar year based  
667 on the latest available data obtained from the local property

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668 appraisers. Not later than July 19, the Commissioner of Education  
669 shall compute a millage rate, rounded to the next highest one  
670 one-thousandth of a mill, which, when applied to 95 percent of  
671 the estimated state total taxable value for school purposes,  
672 would generate the prescribed aggregate required local effort for  
673 that year for all districts. The Commissioner of Education shall  
674 certify to each district school board the millage rate, computed  
675 as prescribed in this subparagraph, as the minimum millage rate  
676 necessary to provide the district required local effort for that  
677 year.

678       b. The General Appropriations Act shall direct the  
679 computation of the statewide adjusted aggregate amount for  
680 required local effort for all school districts collectively from  
681 ad valorem taxes to ensure that no school district's revenue from  
682 required local effort millage will produce more than 90 percent  
683 of the district's total Florida Education Finance Program  
684 calculation, and the adjustment of the required local effort  
685 millage rate of each district that produces more than 90 percent  
686 of its total Florida Education Finance Program entitlement to a  
687 level that will produce only 90 percent of its total Florida  
688 Education Finance Program entitlement in the July calculation.

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

692       (b) Final calculation.--

693       1. On September 1 of each year, the Department of Revenue  
694 shall certify to the Commissioner of Education the total of the  
695 prior year final taxable value for school purposes in each school  
696 district and the total for all school districts in the state. The



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697 commissioner shall use the final taxable value certified on  
698 September 1 for school purposes for each school district in the  
699 final calculation of the annual Florida Education Finance Program  
700 allocations.

701 2. For purposes of this paragraph, the final taxable value  
702 for school purposes shall be the taxable value for school  
703 purposes on which the tax bills are computed and mailed to the  
704 taxpayers, adjusted to reflect final administrative actions of  
705 value adjustment boards and judicial decisions pursuant to  
706 chapter 194. For each county that has not submitted a revised tax  
707 roll reflecting final value adjustment board actions and final  
708 judicial decisions, the Department of Revenue shall certify the  
709 most recent revision of the taxable value for school purposes.  
710 The value certified on September 1 shall be the final taxable  
711 value for school purposes for that year, and no further  
712 adjustments shall be made, except those made pursuant to  
713 paragraph (11) (b).

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

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

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

722 a. The equalization factor for the prior year's assessment  
723 roll of each district shall be multiplied by 95 percent of the  
724 taxable value for school purposes shown on that roll and by the  
725 prior year's required local-effort millage, exclusive of any

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726 equalization adjustment made pursuant to this paragraph. The  
727 dollar amount so computed shall be the additional required local  
728 effort for equalization for the current year.

729       b. Such equalization factor shall be computed as the  
730 quotient of the prior year's assessment level of the state as a  
731 whole divided by the prior year's assessment level of the county,  
732 from which quotient shall be subtracted 1.

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

738       3. Notwithstanding the limitations imposed pursuant to s.  
739 1011.71(1), the total required local-effort millage, including  
740 additional required local effort for equalization, shall be an  
741 amount not to exceed 10 minus the maximum millage allowed as  
742 nonvoted discretionary millage, exclusive of millage authorized  
743 pursuant to s. 1011.71(2). Nothing herein shall be construed to  
744 allow a millage in excess of that authorized in s. 9, Art. VII of  
745 the State Constitution.

746       4. For the purposes of this chapter, the term "assessment  
747 level" means the value-weighted mean assessment ratio for the  
748 county or state as a whole, as determined pursuant to s. 195.096,  
749 or as subsequently adjusted. However, for those parcels studied  
750 pursuant to s. 195.096(3)(a)1. which are receiving the assessment  
751 limitation set forth in s. 193.155, and for which the assessed  
752 value is less than the just value, the department shall use the  
753 assessed value in the numerator and the denominator of such  
754 assessment ratio. In the event a court has adjudicated that the

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755 department failed to establish an accurate estimate of an  
756 assessment level of a county and recomputation resulting in an  
757 accurate estimate based upon the evidence before the court was  
758 not possible, that county shall be presumed to have an assessment  
759 level equal to that of the state as a whole.

760 5. If, in the prior year, taxes were levied against an  
761 interim assessment roll pursuant to s. 193.1145, the assessment  
762 level and prior year's nonexempt assessed valuation used for the  
763 purposes of this paragraph shall be those of the interim  
764 assessment roll.

765 (d) Exclusion.--

766 1. In those instances in which:

767 a. There is litigation either attacking the authority of  
768 the property appraiser to include certain property on the tax  
769 assessment roll as taxable property or contesting the assessed  
770 value of certain property on the tax assessment roll, and

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

777 2. For purposes of computing the required local effort for  
778 each district affected by such petition, the Department of  
779 Education shall exclude from the district's total nonexempt  
780 assessment roll the assessed value of the property in contest and  
781 shall add the amount of the good faith payment to the district's  
782 required local effort.

783 (e) Recomputation.--Following final adjudication of any

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784 litigation on the basis of which an adjustment in taxable value  
785 was made pursuant to paragraph (d), the department shall  
786 recompute the required local effort for each district for each  
787 year affected by such adjustments, utilizing taxable values  
788 approved by the court, and shall adjust subsequent allocations to  
789 such districts accordingly.

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

792 550.09515 Thoroughbred horse taxes; abandoned interest in a  
793 permit for nonpayment of taxes.--

794 (8) Notwithstanding any other provision in this chapter, a  
795 thoroughbred permit that has been revoked by the division  
796 heretofore or hereafter pursuant to s. 550.5251 or has escheated  
797 to the state pursuant to this section shall be deemed to continue  
798 in existence and held by the division in abeyance subject to  
799 reissuance pursuant to this subsection. Any such permit shall be  
800 subject to reissuance by the division and shall be reissued to a  
801 qualified applicant for use at the same facility at which the  
802 permit was last operated as a thoroughbred permit. The prior  
803 holder of any revoked or escheated thoroughbred permit rendered  
804 subject to reissuance by this subsection shall not be  
805 disqualified for receipt of a reissued thoroughbred permit if the  
806 primary reason for the revocation or escheat of the thoroughbred  
807 permit was for any reason other than the prior holder's  
808 disqualification on grounds of moral turpitude. Nonpayment of  
809 taxes on handle shall not be considered a ground of moral  
810 turpitude. If more than one applicant applies for reissuance of a  
811 thoroughbred permit pursuant to the terms and conditions of this  
812 subsection, the division shall give preference to an applicant

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813 not currently in possession of another pari-mutuel permit issued  
814 pursuant to this chapter.

815 Section 20. For the 2008-2009 fiscal year, the sum of \$10  
816 million in recurring funds is appropriated from the Operating  
817 Trust Fund in the Department of the Lottery and 24 full-time  
818 equivalent positions and associated salary rate of 1,276,000 are  
819 authorized to implement the provisions of this act.

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