1 A bill to be entitled 2 An act relating to administrative procedures of the 3 Department of the Lottery; amending s. 24.105, F.S.; 4 revising the rulemaking authority of the Department of the 5 Lottery; authorizing the department to adopt rules 6 governing the operation of games offered by the 7 department; authorizing the department to adopt emergency 8 rules for the purpose of implementing instant ticket games 9 and online games; removing the authority of the department 10 to perform any of the functions of the Department of 11 Management Services under chapter 255, chapter 273, chapter 281, chapter 283, or chapter 287, F.S.; requiring 12 the department to adopt by rule a personnel program for 13 14 its employees; removing the exemption from chapter 120, 15 F.S., related to personnel actions; repealing s. 24.109, 16 F.S., relating to administrative procedure; providing that statutorily authorized transaction fees do not apply to 17 certain procurements of commodities or services for which 18 19 the department is the sole purchaser in the state; deeming 20 certain emergency rules in existence on a specified date 21 to be rules adopted pursuant to s. 120.54(3), F.S.; 22 providing that such rules remain in effect until amended 23 or repealed by the department; requiring the Department of State to renumber rules as necessary; providing for repeal 24 25 of certain rules in existence on a specified date that are 26 no longer authorized; providing an effective date. 27 28 Be It Enacted by the Legislature of the State of Florida:

Page 1 of 8

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29 Section 1. Subsections (9) and (13) through (20) of 30 31 section 24.105, Florida Statutes, are amended to read: 32 24.105 Powers and duties of department.-The department 33 shall: 34 (9) (a) Adopt rules governing the establishment and 35 operation of games offered by the department the state lottery, 36 including: 37 1.(a) The type of lottery games to be conducted, except 38 that: 39 a.1. No name of an elected official shall appear on the 40 ticket or play slip of any lottery game or on any prize or on any instrument used for the payment of prizes, unless such prize 41 42 is in the form of a state warrant. 43 b.2. No coins or currency shall be dispensed from any 44 electronic computer terminal or device used in any lottery game. c.3. Other than as provided in sub-subparagraph d. 45 subparagraph 4., no terminal or device may be used for any 46 47 lottery game which may be operated solely by the player without the assistance of the retailer. 48 49 d.4. The only player-activated machine which may be 50 utilized is a machine which dispenses instant lottery game 51 tickets following the insertion of a coin or currency by a 52 ticket purchaser. To be authorized a machine must: be under the supervision and within the direct line of sight of the lottery 53 retailer to ensure that the machine is monitored and only 54 operated by persons at least 18 years of age; be capable of 55 56 being electronically deactivated by the retailer to prohibit use

Page 2 of 8

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hb1537-03-e2

57 by persons less than 18 years of age through the use of a 58 lockout device that maintains the machine's deactivation for a period of no less than 5 minutes; and be designed to prevent its 59 60 use or conversion for use in any manner other than the 61 dispensing of instant lottery tickets. Authorized machines may dispense change to players purchasing tickets but may not be 62 63 utilized for paying the holders of winning tickets of any kind. 64 At least one clerk must be on duty at the lottery retailer while 65 the machine is in operation. However, at least two clerks must be on duty at any lottery location which has violated s. 66 24.1055. 67

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<u>2.(b)</u> The sales price of tickets.

<u>3.(c)</u> The number and sizes of prizes.

70 <u>4.(d)</u> The method of selecting winning tickets. However, if 71 a lottery game involves a drawing, the drawing shall be public 72 and witnessed by an accountant employed by an independent 73 certified public accounting firm. The equipment used in the 74 drawing shall be inspected before and after the drawing.

75 <u>5.(e)</u> The manner of payment of prizes to holders of
76 winning tickets.

77 <u>6.(f)</u> The frequency of drawings or selections of winning
78 tickets.

79 <u>7.(g)</u> The number and type of locations at which tickets 80 may be purchased.

8.(h) The method to be used in selling tickets.

82 <u>9.(i)</u> The manner and amount of compensation of retailers.
 83 <u>10.(j)</u> Such other matters necessary or desirable for the
 84 efficient or economical operation of games offered by the

Page 3 of 8

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85 department lottery or for the convenience of the public. 86 (b) The department may at any time adopt emergency rules 87 pursuant to s. 120.54 for the purpose of implementing and 88 promoting instant ticket games and online games. The Legislature 89 finds that, from time to time, the department must respond as 90 quickly as is practicable to changes in the marketplace when 91 creating and promoting instant ticket games and online games. 92 Therefore, in adopting emergency rules for the purpose of 93 implementing and promoting such games, the department need not make the findings required by s. 120.54(4)(a). Emergency rules 94 95 adopted under this subsection are exempt from s. 120.54(4)(c) 96 and shall remain in effect until expiration of the specific 97 instant ticket game or online game that is the subject of the 98 emergency rule.

99 (13) Have the authority to perform any of the functions of 100 the Department of Management Services under chapter 255, chapter 101 273, chapter 281, chapter 283, or chapter 287, or any rules 102 adopted under any such chapter, and may grant approvals provided 103 for under any such chapter or rules. If the department finds, by 104 rule, that compliance with any such chapter would impair or 105 impede the effective or efficient operation of the lottery, the 106 department may adopt rules providing alternative procurement 107 procedures. Such alternative procedures shall be designed to 108 allow the department to evaluate competing proposals and select 109 the proposal that provides the greatest long-term benefit to the state with respect to the quality of the products or services, 110 dependability and integrity of the vendor, dependability of the 111 vendor's products or services, security, competence, timeliness, 112 Page 4 of 8

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hb1537-03-e2

113 and maximization of gross revenues and net proceeds over the 114 life of the contract.

(13) (14) Have the authority to acquire real property and 115 116 make improvements thereon. The title to such property shall be 117 vested in the Board of Trustees of the Internal Improvement Trust Fund. The board shall give the department preference in 118 119 leasing state-owned lands under the board's control and may not exercise any jurisdiction over lands purchased or leased by the 120 121 department while such lands are actively used by the department. 122 Actions of the department under this subsection are exempt from 123 the time limitations and deadlines of chapter 253.

124 <u>(14)(15)</u> Have the authority to charge fees to persons 125 applying for contracts as vendors or retailers, which fees are 126 reasonably calculated to cover the costs of investigations and 127 other activities related to the processing of the application.

128 <u>(15)</u> (16) Enter into contracts for the purchase, lease, or 129 lease-purchase of such goods and services as are necessary for 130 the operation and promotion of the state lottery, including 131 assistance provided by any governmental agency.

132 <u>(16)(17)</u> In accordance with the provisions of this act, 133 enter into contracts with retailers so as to provide adequate 134 and convenient availability of tickets to the public for each 135 game.

136 <u>(17)(18)</u> Have the authority to enter into agreements with 137 other states for the operation and promotion of a multistate 138 lottery if such agreements are in the best interest of the state 139 lottery. The authority conferred by this subsection is not 140 effective until 1 year after the first day of lottery ticket

Page 5 of 8

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hb1537-03-e2

141 sales.

142 <u>(18)</u> (19) Employ division directors and other staff as may 143 be necessary to carry out the provisions of this act; however:

(a) No person shall be employed by the department who has
been convicted of, or entered a plea of guilty or nolo
contendere to, a felony committed in the preceding 10 years,
regardless of adjudication, unless the department determines
that:

The person has been pardoned or his or her civil rights
 have been restored; or

151 2. Subsequent to such conviction or entry of plea the 152 person has engaged in the kind of law-abiding commerce and good 153 citizenship that would reflect well upon the integrity of the 154 lottery.

155 (b) No officer or employee of the department having 156 decisionmaking authority shall participate in any decision 157 involving any vendor or retailer with whom the officer or 158 employee has a financial interest. No such officer or employee 159 may participate in any decision involving any vendor or retailer 160 with whom the officer or employee has discussed employment 161 opportunities without the approval of the secretary or, if such officer is the secretary, without the approval of the Governor. 162 163 Any officer or employee of the department shall notify the 164 secretary of any such discussion or, if such officer is the secretary, he or she shall notify the Governor. A violation of 165 this paragraph is punishable in accordance with s. 112.317. 166

167 (c) No officer or employee of the department who leaves168 the employ of the department shall represent any vendor or

Page 6 of 8

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retailer before the department regarding any specific matter in which the officer or employee was involved while employed by the department, for a period of 1 year following cessation of employment with the department. A violation of this paragraph is punishable in accordance with s. 112.317.

174 <u>(19)(d)</u> The department shall <u>adopt by rule</u> establish and 175 maintain a personnel program for its employees, including a 176 personnel classification and pay plan which may provide any or 177 all of the benefits provided in the Senior Management Service or 178 Selected Exempt Service.

(a) Each officer or employee of the department shall be a
 member of the Florida Retirement System. The retirement class of
 each officer or employee shall be the same as other persons
 performing comparable functions for other agencies.

(b) Employees of the department shall serve at the
 pleasure of the secretary and shall be subject to suspension,
 dismissal, reduction in pay, demotion, transfer, or other
 personnel action at the discretion of the secretary. Such
 personnel actions are exempt from the provisions of chapter 120.

188 All employees of the department are exempt from the (C) 189 Career Service System provided in chapter 110 and, notwithstanding the provisions of s. 110.205(5), are not 190 191 included in either the Senior Management Service or the Selected 192 Exempt Service. However, all employees of the department are subject to all standards of conduct adopted by rule for career 193 194 service and senior management employees pursuant to chapter 110. In the event of a conflict between standards of conduct 195 196 applicable to employees of the Department of the Lottery the

Page 7 of 8

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hb1537-03-e2

197 more restrictive standard shall apply. Interpretations as to the 198 more restrictive standard may be provided by the Commission on 199 Ethics upon request of an advisory opinion pursuant to s. 200 112.322(3)(a), for purposes of this subsection the opinion shall 201 be considered final action.

(20) Adopt by rule a code of ethics for officers and
employees of the department which supplements the standards of
conduct for public officers and employees imposed by law.

Section 2. Section 24.109, Florida Statutes, is repealed.
Section 3. Sections 287.042(1)(h) and 287.057(23), Florida
Statutes, do not apply to procurements of commodities or
services specific to the lottery industry and for which the
Department of the Lottery is the sole purchaser in the state.
Such procurements may include a lottery gaming system, instant
tickets, and related commodities or services.

212 Section 4. (1) Any emergency rule adopted by the 213 Department of the Lottery on or before July 1, 2010, directly 214 relating to retailers; lost, stolen, or damaged instant tickets; 215 and payment of stolen instant tickets shall be deemed rules 216 adopted pursuant to s. 120.54(3), Florida Statutes, and shall 217 remain in effect until amended or repealed by the department. 218 The Department of State shall renumber such rules as necessary. 219 (2) Except for the rules described in subsection (1), all 220 rules, or portions thereof, in existence on July 1, 2010, that 221 were adopted in a manner no longer authorized by this act shall 222 stand repealed on January 1, 2011.

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Section 5. This act shall take effect on July 1, 2010.

Page 8 of 8

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hb1537-03-e2