

By the Committees on Criminal Justice; and Regulated Industries;  
and Senator Jones

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1                   A bill to be entitled  
2           An act relating to the state lottery; amending s.  
3           24.105, F.S.; authorizing the use of player-activated  
4           machines that have additional functionality; amending  
5           s. 24.111, F.S.; adding limited liability companies to  
6           the list of potential vendors that the Department of  
7           the Lottery must investigate; providing that the  
8           Department of the Lottery may lease all instant ticket  
9           vending machines; prohibiting the department from  
10          entering into a contract for a major procurement if a  
11          managing member of the vendor has been convicted of a  
12          felony; removing a duplicative provision; amending s.  
13          24.113, F.S.; removing a provision limiting the  
14          percentage of the same type of minority retailer that  
15          the Department of the Lottery may contract with to 35  
16          percent; amending s. 24.114, F.S.; providing a penalty  
17          for failure by a retailer to remit funds as required;  
18          providing an effective date.

19  
20 Be It Enacted by the Legislature of the State of Florida:

21  
22           Section 1. Paragraph (a) of subsection (9) of section  
23           24.105, Florida Statutes, is amended to read:

24           24.105 Powers and duties of department.—The department  
25           shall:

26           (9) Adopt rules governing the establishment and operation  
27           of the state lottery, including:

28           (a) The type of lottery games to be conducted, except that:

29           1. No name of an elected official shall appear on the

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30 ticket or play slip of any lottery game or on any prize or on  
31 any instrument used for the payment of prizes, unless such prize  
32 is in the form of a state warrant.

33 2. No coins or currency shall be dispensed from any  
34 electronic computer terminal or device used in any lottery game.

35 3. Other than as provided in subparagraph 4., no terminal  
36 or device may be used for any lottery game which may be operated  
37 solely by the player without the assistance of the retailer.

38 4. Only the three types of ~~The only~~ player-activated  
39 machines described in this subparagraph ~~machine which~~ may be  
40 ~~utilized is a machine which dispenses instant lottery game~~  
41 ~~tickets following the insertion of a coin or currency by a~~  
42 ~~ticket purchaser.~~ To be authorized, a machine must ~~+~~ be under the  
43 supervision and within the direct line of sight of the lottery  
44 retailer to ensure that the machine is monitored and only  
45 operated by persons at least 18 years of age and ~~+~~ be capable of  
46 being electronically deactivated by the retailer to prohibit use  
47 by persons less than 18 years of age through the use of a  
48 lockout device that maintains the machine's deactivation for a  
49 period of no less than 5 minutes; ~~and be designed to prevent its~~  
50 ~~use or conversion for use in any manner other than the~~  
51 ~~dispensing of instant lottery tickets.~~ Authorized machines may  
52 dispense change to players purchasing tickets but may not be  
53 utilized for paying the holders of winning tickets of any kind.  
54 At least one clerk must be on duty at the lottery retailer while  
55 the machine is in operation. However, at least two clerks must  
56 be on duty at any lottery location which has violated s.

57 24.1055. Not more than 10 machines may be installed at any  
58 facility or location. In addition to the above requirements, the

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59 following requirements must also be satisfied:

60 a. A machine may be used to dispense preprinted instant  
61 lottery tickets, but the machine may not read or reveal the  
62 results of the ticket or allow a player to redeem any ticket.  
63 The machine, or any machine or device linked to the machine, may  
64 not include or make use of video reels or mechanical reels or  
65 other video depictions of slot machine or casino game themes or  
66 titles for game play. This does not preclude the use of casino  
67 game themes or titles on such tickets or signage or advertising  
68 displays on the machines;

69 b. A machine that displays an image of the ticket on a  
70 video screen may be used to dispense predetermined electronic  
71 instant lottery tickets, provided the player must touch the  
72 image of the ticket on the screen to reveal the outcome of the  
73 ticket. The machine may not permit a player to redeem winnings  
74 and may not make use of video reels or mechanical reels or  
75 simulate the play of any casino game. A retailer who utilizes  
76 such machines must be paid the same amount as the retailer would  
77 be paid for the sale of paper instant lottery tickets. However,  
78 a machine may not be installed at any licensed pari-mutuel  
79 facility; and

80 c. A machine may be used to dispense a paper lottery ticket  
81 with numbers selected by the player or randomly by the machine.  
82 The machine may not reveal the winning numbers to the player.  
83 The winning numbers must be selected at a subsequent time and  
84 different location through a drawing by the Florida Lottery. The  
85 machine, or any machine or device linked to the machine, may not  
86 include or make use of video reels or mechanical reels or other  
87 video depictions of slot machine or casino-game themes or titles

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88 for game play. The machine may not be used to redeem a winning  
89 ticket. These requirements do not preclude the use of casino  
90 game themes or titles for signage or advertising on the machine.

91 Section 2. Paragraphs (a) and (h) of subsection (2) and  
92 subsections (4) and (6) of section 24.111, Florida Statutes, are  
93 amended to read:

94 24.111 Vendors; disclosure and contract requirements.—

95 (2) The department shall investigate the financial  
96 responsibility, security, and integrity of each vendor with  
97 which it intends to negotiate a contract for major procurement.  
98 Such investigation may include an investigation of the financial  
99 responsibility, security, and integrity of any or all persons  
100 whose names and addresses are required to be disclosed pursuant  
101 to paragraph (a). Any person who submits a bid, proposal, or  
102 offer as part of a major procurement must, at the time of  
103 submitting such bid, proposal, or offer, provide the following:

104 (a) A disclosure of the vendor's name and address and, as  
105 applicable, the name and address and any additional disclosures  
106 necessary for an investigation of the financial responsibility,  
107 security, and integrity of the following:

108 1. If the vendor is a corporation, the officers, directors,  
109 and each stockholder in such corporation; except that, in the  
110 case of owners of equity securities of a publicly traded  
111 corporation, only the names and addresses of those known to the  
112 corporation to own beneficially 5 percent or more of such  
113 securities need be disclosed.

114 2. If the vendor is a trust, the trustee and all persons  
115 entitled to receive income or benefit from the trust.

116 3. If the vendor is an association, the members, officers,

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117 and directors.

118 4. If the vendor is a partnership or joint venture, all of  
119 the general partners, limited partners, or joint venturers.

120 5. If the vendor is a limited liability company, each  
121 officer, director, member, manager, and managing member of the  
122 company.

123

124 If the vendor subcontracts any substantial portion of the work  
125 to be performed to a subcontractor, the vendor shall disclose  
126 all of the information required by this paragraph for the  
127 subcontractor as if the subcontractor were itself a vendor.

128 (h) The department may ~~shall~~ lease all instant ticket  
129 vending machines.

130

131 The department shall not contract with any vendor who fails to  
132 make the disclosures required by this subsection, and any  
133 contract with a vendor who has failed to make the required  
134 disclosures shall be unenforceable. Any contract with any vendor  
135 who does not comply with such requirements for periodically  
136 updating such disclosures during the tenure of such contract as  
137 may be specified in such contract may be terminated by the  
138 department. This subsection shall be construed broadly and  
139 liberally to achieve the ends of full disclosure of all  
140 information necessary to allow for a full and complete  
141 evaluation by the department of the competence, integrity,  
142 background, and character of vendors for major procurements.

143 (4) No contract for a major procurement with any vendor  
144 shall be entered into if that vendor, or any of the vendor's  
145 officers, directors, trustees, partners, managing members, or

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146 joint venturers whose names and addresses are required to be  
147 disclosed pursuant to paragraph (2) (a), has been convicted of,  
148 or entered a plea of guilty or nolo contendere to, a felony  
149 committed in the preceding 10 years, regardless of adjudication,  
150 unless the department determines that:

151 (a) The vendor or such individual has been pardoned or the  
152 vendor's or such individual's civil rights have been restored;

153 (b) Subsequent to such conviction or entry of plea the  
154 vendor or such individual has engaged in the kind of law-abiding  
155 commerce and good citizenship that would reflect well upon the  
156 integrity of the lottery; or

157 (c) If the vendor is not an individual, such vendor has  
158 terminated its relationship with the individual whose actions  
159 directly contributed to the vendor's conviction or entry of  
160 plea.

161 ~~(6) Every contract in excess of \$25,000 entered into by the~~  
162 ~~department pursuant to this section shall contain a provision~~  
163 ~~for payment of liquidated damages to the department for any~~  
164 ~~breach of contract by the vendor.~~ The department may require a  
165 liquidated damages provision in any contract if the department  
166 deems it necessary to protect the state's financial interest.

167 Section 3. Subsection (1) of section 24.113, Florida  
168 Statutes, is amended to read:

169 24.113 Minority participation.—

170 (1) It is the intent of the Legislature that the department  
171 encourage participation by minority business enterprises as  
172 defined in s. 288.703. Accordingly, 15 percent of the retailers  
173 shall be minority business enterprises as defined in s.  
174 288.703(2); ~~however, no more than 35 percent of such retailers~~

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175 ~~shall be owned by the same type of minority person, as defined~~  
176 ~~in s. 288.703(3).~~ The department is encouraged to meet the  
177 minority business enterprise procurement goals set forth in s.  
178 287.09451 in the procurement of commodities, contractual  
179 services, construction, and architectural and engineering  
180 services. This section shall not preclude or prohibit a minority  
181 person from competing for any other retailing or vending  
182 agreement awarded by the department.

183 Section 4. Section 24.114, Florida Statutes, is amended to  
184 read:

185 24.114 Bank deposits and control of lottery transactions.-

186 (1) (a) All moneys received by each retailer from the  
187 operation of the state lottery, including, but not limited to,  
188 all ticket sales, interest, gifts, and donations, less the  
189 amount retained as compensation for the sale of the tickets and  
190 the amount paid out as prizes, shall be remitted to the  
191 department or deposited in a qualified public depository, as  
192 defined in s. 280.02, as directed by the department.

193 (b) The department shall have the responsibility for all  
194 administrative functions related to the receipt of funds. The  
195 department may ~~also~~ require:

196 1. Each retailer to file with the department reports of the  
197 retailer's receipts and transactions in the sale of lottery  
198 tickets in such form and containing such information as the  
199 department may require.

200 2. ~~The department may require~~ Any person, including a  
201 qualified public depository, to perform any function, activity,  
202 or service in connection with the operation of the lottery as it  
203 may deem advisable pursuant to this act and rules of the

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204 department, and such functions, activities, or services shall  
205 constitute lawful functions, activities, and services of such  
206 person.

207 ~~3.(2) The department may require~~ Retailers to establish  
208 separate electronic funds transfer accounts for the purpose of  
209 receiving moneys from ticket sales, making payments to the  
210 department, and receiving payments from the department.

211 (2)~~(3)~~ Each retailer is liable to the department for any  
212 and all tickets accepted or generated by any employee or  
213 representative of that retailer, and the tickets shall be deemed  
214 to have been purchased by the retailer unless returned to the  
215 department within the time and in the manner prescribed by the  
216 department.

217 (3) All moneys received by retailers from the sale of  
218 lottery tickets, less the amount retained as compensation for  
219 the sale of tickets and the amount paid out as prizes by the  
220 retailer, shall be held in trust prior to delivery to the  
221 department or electronic transfer to the Operating Trust Fund.

222 (4) A retailer who fails to remit funds to the department  
223 as required commits a misdemeanor of the first degree,  
224 punishable as provided in s. 775.082 or s. 775.083.

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