

1 A bill to be entitled

2 An act relating to arcades; creating ch. 547, F.S.,
3 entitled "Senior Arcades"; creating s. 547.01, F.S.;
4 providing legislative intent and findings; creating s.
5 547.02, F.S.; defining terms; creating s. 547.03,
6 F.S.; requiring the Department of Business and
7 Professional Regulation to implement and administer
8 ch. 547, F.S.; authorizing the department to create a
9 division; creating s. 547.04, F.S.; authorizing an
10 amusement machine business to operate in this state;
11 creating s. 547.05, F.S.; providing licensure and
12 registration requirements; providing fees; creating s.
13 547.06, F.S.; requiring a tax to be assessed on the
14 net revenue of each amusement machine; creating s.
15 547.07, F.S.; requiring customers to receive a points
16 card to receive prizes; requiring amusement machine
17 centers to make points cards available to customers;
18 prohibiting cash prizes; providing points card
19 provider requirements; providing for the use of a
20 points card; requiring an amusement machine business
21 to report moneys played to the department; requiring a
22 points card provider to create an application to
23 review and confirm redemptions and report them to the
24 department; creating s. 547.08, F.S.; providing
25 penalties for violations; providing an effective date.
26

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

28

29 Section 1. Chapter 547, Florida Statutes, is created and
 30 is entitled "Senior Arcades."

31 Section 2. Section 547.01, Florida Statutes, is created to
 32 read:

33 547.01 Legislative intent and findings.—In the interest of
 34 providing an active, entertaining, and intellectual exercise for
 35 senior citizens, and in order to prevent the unregulated
 36 operation of a bona fide amusement machine business, the
 37 Legislature intends to aid in the enforcement of the tax
 38 obligations that arise from the operation of bona fide coin-
 39 operated amusement machine businesses and to prevent
 40 unauthorized cash payouts. The Legislature finds that the
 41 operation of a bona fide coin-operated amusement machine
 42 business can be conducted in a manner that enhances the fiscal
 43 soundness of this state while safeguarding the public welfare.

44 Section 3. Section 547.02, Florida Statutes, is created to
 45 read:

46 547.02 Definitions.—As used in this chapter, the term:

47 (1) "Amusement machine center" means a facility operated
 48 by an amusement machine business and registered under this
 49 chapter.

50 (2) "Amusement machine" means a machine that displays
 51 games and is operated for the purpose of entertainment or
 52 amusement. The term includes only noncasino games that require

53 skill. The term does not include a game or device defined as a
54 gambling device in 15 U.S.C. s. 1171. An amusement machine is
55 not considered a coin-operated amusement machine for the
56 purposes of chapter 212.

57 (3) "Amusement machine business" means a business entity
58 that offers amusement machine play pursuant to this chapter and
59 that limits entry to its amusement machine centers to persons
60 who are 21 years of age or older.

61 (4) "Department" means the Department of Business and
62 Professional Regulation.

63 (5) "Points card" means a points-based reloadable reward
64 card that is offered to an amusement machine business and that
65 is connected to the network of a points card provider that
66 satisfies the requirements of s. 547.07.

67 (6) "Redemption bank" means value prepaid by an amusement
68 machine business to a points card provider which can be loaded
69 onto a points card upon redemption by a customer.

70 (7) "Reporting device" means a tamper-evident device
71 securely installed in each amusement machine which
72 automatically, electronically, and permanently stores and
73 reports values credited to the machine for play, values loaded
74 to a points card, power outages, disconnects, and machine
75 resets.

76 (8) "Skill" means the presence of one or more of the
77 following:

78 (a) A learned power of doing a thing competently.

79 (b) A particular craft, art, ability, strategy, or tactic.

80 (c) A developed or acquired aptitude or ability.

81 (d) Dexterity, fluency, or coordination in the execution
 82 of learned physical or mental tasks, or both.

83 (e) Technical proficiency or expertise.

84 (f) Development or implementation of strategy or tactics
 85 in order to achieve a goal.

86 (g) Knowledge of the means or methods of accomplishing a
 87 task.

88 Section 4. Section 547.03, Florida Statutes, is created to
 89 read:

90 547.03 Administration.—The department shall adopt rules to
 91 implement and administer this chapter and may create a division
 92 to perform such functions.

93 Section 5. Section 547.04, Florida Statutes, is created to
 94 read:

95 547.04 Authorization.—An amusement machine business may be
 96 operated in this state if it satisfies the requirements of this
 97 chapter and department rule.

98 Section 6. Section 547.05, Florida Statutes, is created to
 99 read:

100 547.05 Licensure and registration; fees.—A person may not
 101 operate an amusement machine business in this state unless the
 102 person obtains an amusement machine license from the department
 103 and each amusement machine center operated under that license is
 104 registered with the department.

105 (1) LICENSURE.—An applicant shall submit an application to
 106 the department for approval and do all of the following:

107 (a) Submit fingerprints pursuant to procedures established
 108 by the department through a vendor approved by the Department of
 109 Law Enforcement to be used for a criminal history check. The
 110 department may not issue a license to a person convicted of a
 111 felony or any crime involving fraud.

112 (b) Register with the department each amusement machine
 113 center the applicant plans to operate and pay the required
 114 registration fee.

115 (c) Demonstrate that each amusement machine center
 116 contains at least 50 machines.

117 (d) Pay the annual permitting fee required for each
 118 amusement machine.

119 (e) Pay a one-time licensing fee.

120 (f) Satisfy the requirements of this chapter and
 121 department rule.

122 (2) FEES.—The following fees are required:

123 (a) For licensure, a one-time fee of \$25,000.

124 (b) For registration, a one-time fee of \$1,000 for each
 125 amusement machine center.

126 (c) For a permit, an annual fee of \$200 per machine.

127 Section 7. Section 547.06, Florida Statutes, is created to
 128 read:

129 547.06 Tax.—A tax of 7.5 percent shall be assessed on the
 130 net revenue generated by each amusement machine.

131 Section 8. Section 547.07, Florida Statutes, is created to
132 read:

133 547.07 Points card.—Customers may receive prizes from play
134 only through the exchange of points on a points card, which
135 shall be made available by an amusement machine center to each
136 customer. An amusement machine center may not award cash prizes
137 to its customers and all points awarded must be reported to the
138 department.

139 (1) To obtain points cards for its customers, amusement
140 machine businesses must select a points card provider. The
141 points card provider must be a money services business licensed
142 under chapter 560 or an authorized vendor of such money services
143 business. The points cards must contain a conspicuously located
144 notice that states, "Not valid for the purchase of alcoholic
145 beverages, gift cards, or gift certificates, and may not be
146 exchanged for cash." A points card provider may not sell or
147 market, in any advertising medium, its points card products to
148 the general public or redeem a points card for cash. A points
149 card provider may only distribute points cards to amusement
150 machine businesses and their amusement machine centers. Points
151 cards may be purchased only through electronic bank transfers
152 between a points card provider and an amusement machine
153 business.

154 (2) Points card providers must have an existing graphical
155 user interface to allow for immediate implementation of the
156 points program while amusement machines are modified to comply

157 with this chapter.

158 (3) A customer may accumulate points on a points card
159 based on his or her performance on a machine. An amusement
160 machine business or center must use a secure Internet connection
161 to load value to a points card. Value must automatically load to
162 the points card within 15 minutes and the value shall be
163 deducted from the amusement machine center's redemption bank. A
164 player may redeem his or her points in exchange for merchandise
165 using the points card at a retail establishment participating in
166 the points card provider's network.

167 (4) A points card provider must provide an application for
168 amusement machine businesses and their employees to securely
169 load, review, and confirm values loaded to points cards. A
170 webpage must be provided to a customer to track his or her
171 points card history and value.

172 (5) Beginning November 1, 2014, and each day thereafter:

173 (a) An amusement machine business must electronically
174 report moneys played in its amusement machine centers to its
175 points card provider using a reporting device; and

176 (b) A points card provider must electronically submit to
177 the department, in a manner determined by the department, a
178 reconciled report that details all money played on amusement
179 machines and all points loaded to points cards of amusement
180 machine businesses in its network.

181 (6) Points cards may only be issued to customers who
182 register with a points card provider, pass a United States

HB 1409

2014

183 Office of Foreign Assets Control check, and agree to allow their
184 redemption value to be reported to the department.

185 Section 9. Section 547.08, Florida Statutes, is created to
186 read:

187 547.08 Violations.—An owner of an amusement machine
188 business or an operator of an amusement machine center who
189 violates this chapter commits a felony of the third degree,
190 punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

191 Section 10. This act shall take effect July 1, 2014.