2

3

4

5

6

7

8

9

10

11

1213

14

15

1617

18

19

20

21

22

23

24

25

2627

28

29

By the Committee on Regulated Industries

580-04017-21 20217076

A bill to be entitled

An act relating to gaming enforcement; amending s. 16.56, F.S.; expanding the authority of the Office of Statewide Prosecution within the Department of Legal Affairs to investigate and prosecute the offenses of certain crimes; creating s. 16.71, F.S.; creating the Florida Gaming Control Commission within the Office of the Attorney General; providing for membership of the commission; providing rights for certain employees of the commission; providing requirements and powers for employees serving as law enforcement officers for the commission; providing powers and duties of the commission; providing requirements for hearings relating to the commission; authorizing the commission to submit certain written recommendations to the Governor and the Legislature upon certain findings; requiring the commission to annually develop a budget request; requiring the department to submit the budget request to the Governor for transmittal to the Legislature; authorizing the commission to contract or consult with certain agencies; creating s. 16.715, F.S.; providing construction; providing standards of conduct for commissioners; requiring commissioners to complete specified annual training; requiring the Commission on Ethics to accept and investigate any alleged violations of the standards of conduct for commissioners; providing requirements for such investigations; authorizing a commissioner to request an advisory opinion from the Commission on Ethics;

providing requirements relating to ex parte communications; providing civil penalties; amending s. 285.710, F.S.; revising the definition of the term "state compliance agency"; designating the Florida Gaming Control Commission as the state compliance agency having authority to carry out certain responsibilities; transferring all powers, duties, functions, records, offices, personnel, property, pending issues, existing contracts, administrative authority, administrative rules, trust funds, and unexpended balances of appropriations, allocations, and other funds of the Department of Business and Professional Regulation to the commission by a type two transfer; requiring the Department of Legal Affairs to provide administrative support to the commission until such transfer is complete; providing a directive to the Division of Law Revision; providing effective dates.

48 49

47

30

31

32

33 34

35

36

37

38

39

40

41

42

43 44

45 46

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

50 51

52

53 54

5556

57

58

Section 1. Paragraph (a) of subsection (1) of section 16.56, Florida Statutes, is amended to read:

16.56 Office of Statewide Prosecution. -

- (1) There is created in the Department of Legal Affairs an Office of Statewide Prosecution. The office shall be a separate "budget entity" as that term is defined in chapter 216. The office may:
  - (a) Investigate and prosecute the offenses of:

580-04017-21 20217076

1. Bribery, burglary, criminal usury, extortion, gambling, kidnapping, larceny, murder, prostitution, perjury, robbery, carjacking, home-invasion robbery, and patient brokering;

- 2. Any crime involving narcotic or other dangerous drugs;
- 3. Any violation of the Florida RICO (Racketeer Influenced and Corrupt Organization) Act, including any offense listed in the definition of racketeering activity in s. 895.02(8)(a), providing such listed offense is investigated in connection with a violation of s. 895.03 and is charged in a separate count of an information or indictment containing a count charging a violation of s. 895.03, the prosecution of which listed offense may continue independently if the prosecution of the violation of s. 895.03 is terminated for any reason;
  - 4. Any violation of the Florida Anti-Fencing Act;
- 5. Any violation of the Florida Antitrust Act of 1980, as amended;
- 6. Any crime involving, or resulting in, fraud or deceit upon any person;
- 7. Any violation of s. 847.0135, relating to computer pornography and child exploitation prevention, or any offense related to a violation of s. 847.0135 or any violation of chapter 827 where the crime is facilitated by or connected to the use of the Internet or any device capable of electronic data storage or transmission;
  - 8. Any violation of chapter 815;
  - 9. Any criminal violation of part I of chapter 499;
- 10. Any violation of the Florida Motor Fuel Tax Relief Act of 2004;
  - 11. Any criminal violation of s. 409.920 or s. 409.9201;

12. Any crime involving voter registration, voting, or candidate or issue petition activities;

- 13. Any criminal violation of the Florida Money Laundering Act;
- 14. Any criminal violation of the Florida Securities and Investor Protection Act;  $\frac{\partial}{\partial x}$
- 15. Any violation of chapter 787, as well as any and all offenses related to a violation of chapter 787; or
- 16. Any violation of chapter 24, chapter 546, chapter 550, chapter 551, or chapter 849, including violations referred by the Department of Agriculture and Consumer Services, the Department of Business and Professional Regulation, the Department of the Lottery, the Florida Gaming Control Commission, the Seminole Tribe of Florida, or any person licensed under those chapters;

or any attempt, solicitation, or conspiracy to commit any of the crimes specifically enumerated above. The office shall have such power only when any such offense is occurring, or has occurred, in two or more judicial circuits as part of a related transaction, or when any such offense is connected with an organized criminal conspiracy affecting two or more judicial circuits. Informations or indictments charging such offenses shall contain general allegations stating the judicial circuits and counties in which crimes are alleged to have occurred or the judicial circuits and counties in which crimes affecting such circuits or counties are alleged to have been connected with an organized criminal conspiracy.

Page 4 of 20

Section 2. Section 16.71, Florida Statutes, is created to

117 read:

16.71 Florida Gaming Control Commission.-

- Affairs, Office of the Attorney General, a Florida Gaming
  Control Commission, hereinafter referred to as the commission.

  The commission shall be a separate budget entity and the agency head for all purposes. The commission is not subject to control, supervision, or direction by the Department of Legal Affairs or the Attorney General in the performance of its duties, including, but not limited to, personnel, purchasing transactions involving real or personal property, and budgetary matters.
- (2) (a) The commission shall consist of five members appointed by the Governor, subject to confirmation by the Senate, for terms of 4 years. For the purpose of providing staggered terms, of the initial appointments, 2 members shall be appointed to 4-year terms, 2 members shall be appointed to 3-year terms, and 1 member shall be appointed to a 2-year term. Of the five members at least one member must be experienced in law enforcement and criminal investigation, at least one member must be a certified public accountant licensed in this state and experienced in accounting and auditing, and at least one member must be an attorney admitted and authorized to practice law in this state. Such appointments must be made by January 1, 2022.
- (b) A commissioner shall serve until a successor is appointed, but commissioners may not serve more than 12 years.

  Vacancies shall be filled for the unexpired portion of the term.

  Of the five members, each appellate district shall have one member appointed from the district to the commission who is a

152

153154

155

156

157

158

159

160161

162163

164

165

166

167

168

169170

171

172

173

174

580-04017-21 20217076

resident of the district at the time of the original
appointment. The salary of each commissioner is equal to that
paid under state law to a commissioner on the Florida Public
Service Commission. The commission shall elect a chair and a
vice chair.

- (c) To aid the commission in its duties, the commission must appoint a person who is not a member of the commission to serve as the executive director of the commission. The executive director shall supervise, direct, coordinate, and administer all activities necessary to fulfill the commission's responsibilities. The commission must appoint the executive director by July 1, 2022. The executive director, with the consent of the commission, shall employ such staff as are necessary to adequately perform the functions of the commission, within budgetary limitations. All employees, except the executive director and attorneys, are subject to part II of chapter 110. The executive director shall serve at the pleasure of the commission and be subject to part III of chapter 110. Attorneys employed by the commission shall be subject to part V of chapter 110. The executive director shall maintain headquarters in and reside in Leon County. The salary of the executive director is equal to that paid under state law to a commissioner on the Florida Public Service Commission.
- (d)1. A person may not, for the 2 years immediately preceding the date of appointment to or employment with the commission and while appointed to or employed with the commission:
- a. Hold a permit or license issued under chapter 550, or a license issued under chapter 551, chapter 546, or chapter 849;

580-04017-21 20217076

be an officer, official, or employee of such permitholder or

licensee; or be an ultimate equitable owner, as defined in s.

550.002(37), of such permitholder or licensee;

- b. Be an officer, official, employee, or other person with duties or responsibilities relating to a gaming operation owned by an Indian tribe that has a valid and active compact with the state; be a contractor or subcontractor of such tribe or an entity employed, licensed, or contracted by such tribe; or be an ultimate equitable owner, as defined in s. 550.002(37), of such entity; or
- c. Be a registered lobbyist for the executive or legislative branch, except when solely representing the commission.
- 2. A person is ineligible for appointment to or employment with the commission if, within the 2 years immediately preceding such appointment or employment, he or she has violated subparagraph 1. or has solicited or accepted employment with, acquired any direct or indirect interest in, or has had any direct or indirect business association, partnership, or financial relationship with, or is a relative of, any person or entity who is an applicant, licensee, or registrant with the Division of Pari-mutuel Wagering or the commission.

For the purposes of this paragraph, the term "relative" means a spouse, father, mother, son, daughter, grandfather, grandmother, brother, sister, uncle, aunt, cousin, nephew, niece, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister.

580-04017-21 20217076

(e)1. All employees authorized by the commission shall have access to, and shall have the right to inspect, premises
licensed by the Department of Business and Professional
Regulation, to collect taxes and remit them to the officer
entitled to them, and to examine the books and records of all
persons subject to chapter 24, chapter 285, chapter 546, chapter
550, chapter 551, or chapter 849. The authorized employees shall
require of each such person strict compliance with the laws of
this state relating to the license or permit of the licensee.

- 2. Each employee serving as a law enforcement officer for the commission must meet the qualifications for employment or appointment as a law enforcement officer set forth under s.

  943.13 and must be certified as a law enforcement officer by the Department of Law Enforcement under chapter 943. Upon certification, each law enforcement officer is subject to and has the same authority as provided for law enforcement officers generally in chapter 901 and has statewide jurisdiction. Each officer also has arrest authority as provided for state law enforcement officers in s. 901.15. Each officer possesses the full law enforcement powers granted to other peace officers of this state, including the authority to make arrests, carry firearms, serve court process, and seize contraband and the proceeds of illegal activities.
- a. The primary responsibility of each officer appointed under this paragraph is to investigate, enforce, and prosecute, throughout the state, violations and violators of chapter 24, chapter 285, chapter 546, chapter 550, chapter 551, or chapter 849, and the rules adopted thereunder, as well as other state laws that the commission or all state law enforcement officers

580-04017-21 20217076

are specifically authorized to enforce.

- b. The secondary responsibility of each officer appointed under this paragraph is to enforce all other state laws, provided that the enforcement is incidental to exercising the officer's primary responsibility as provided in sub-subparagraph a., and the officer exercises the powers of a deputy sheriff, only after consultation or coordination with the appropriate local sheriff's office or municipal police department or when the commission participates in the Florida Mutual Aid Plan during a declared state emergency.
- or at the request of a majority of the members of the commission. The presence of three members is required to constitute a quorum, and the affirmative vote of the majority of the members present is required for any action or recommendation by the commission. The commission may meet in any city or county of the state. The commission shall do all of the following:
- (a) Exercise all of the regulatory and executive powers of the state with respect to gambling, including, without limitation thereto, pari-mutuel wagering, cardrooms, slot machine facilities, oversight of gaming compacts executed by the state pursuant to the Federal Indian Gaming Regulatory Act, and any other forms of gambling authorized by the State Constitution or law, excluding games authorized by s. 15, Art. X of the State Constitution.
- (b) Establish procedures consistent with chapter 120 to ensure adequate due process in the exercise of its regulatory and executive functions.
  - (c) Ensure that the laws of this state are not interpreted

580-04017-21 20217076

in any manner that expands the activities authorized in chapter
263 24, chapter 285, chapter 546, chapter 550, chapter 551, or
264 chapter 849.

- (d) Review any matter within the scope of the jurisdiction of the Division of Pari-mutuel Wagering.
- (e) Review the regulation of licensees, permitholders, or persons regulated by the Division of Pari-mutuel Wagering and the procedures used by the division to implement and enforce the law.
- (f) Review the procedures of the Division of Pari-mutuel Wagering which are used to qualify applicants applying for a license, permit, or registration.
- (g) Refer criminal violations of chapter 24, chapter 546, chapter 550, chapter 551, or chapter 849 to the appropriate state attorney or to the Office of Statewide Prosecution, as applicable.
- (h) Exercise all other powers and perform any other duties prescribed by the Legislature.
- The commission may subpoen witnesses and compel their attendance and testimony, administer oaths and affirmations, take evidence, and require by subpoen the production of any books, papers, records, or other items relevant to the performance of the duties of the commission or to the exercise of its powers.
- (4) Hearings shall be held before the commission, except that the chair may direct that any hearing be held before one member of the commission or a panel of less than the full commission. The commission shall adopt rules to provide for the

 580-04017-21 20217076

filing of a report when hearings are held by a single commissioner or a panel, which rules shall prescribe the time for filing the report and the contents of the report. The chair may schedule hearings to determine whether enforcement of the gaming laws of this state is sufficient to protect residents from abuse and misinterpretation of the law to create expansion of gaming or gambling in this state.

- (5) The commission may submit written recommendations to enhance the enforcement of gaming laws of the state to the Governor, the President of the Senate, and the Speaker of the House of Representatives.
- (6) The commission's exercise of executive powers in the area of planning, budgeting, personnel management, and purchasing shall be as provided by law.
- (7) The commission shall develop a budget request pursuant to chapter 216 annually. The budget is not subject to change by the Department of Legal Affairs or the Attorney General, but it shall be submitted by the Department of Legal Affairs to the Governor for transmittal to the Legislature.
- (8) The commission is authorized to contract or consult with appropriate agencies of state government for such professional assistance as may be needed in the discharge of its duties.
- (9) All rules adopted pursuant to chapters 285, 546, 550, 551, and 849 prior to the effective date of this act are preserved and remain in full force and effect.
- (10) The commission shall exercise all of its regulatory and executive powers and shall apply, construe, and interpret all laws and administrative rules in a manner consistent with

580-04017-21 20217076\_\_\_

the gaming compact ratified, approved, and described in s. 285.710(3).

Section 3. Section 16.715, Florida Statutes, is created to read:

16.715 Florida Gaming Control Commission standards of conduct; ex parte communications.—

- (1) STANDARDS OF CONDUCT. -
- (a) In addition to the provisions of part III of chapter 112, which are applicable to commissioners on the Florida Gaming Control Commission by virtue of their being public officers, the conduct of commissioners shall be governed by the standards of conduct provided in this subsection. Nothing shall prohibit the standards of conduct from being more restrictive than part III of chapter 112. Further, this subsection may not be construed to contravene the restrictions of part III of chapter 112. In the event of a conflict between this subsection and part III of chapter 112, the more restrictive provision shall apply.
- (b)1. A commissioner may not accept anything from any business entity which, either directly or indirectly, owns or controls any person regulated by the commission or from any business entity which, either directly or indirectly, is an affiliate or subsidiary of any person regulated by the commission. A commissioner may attend conferences and associated meals and events that are generally available to all conference participants without payment of any fees in addition to the conference fee. Additionally, while attending a conference, a commissioner may attend meetings, meals, or events that are not sponsored, in whole or in part, by any representative of any person regulated by the commission and that are limited to

350

351

352

353

354

355

356

357

358

359

360

361

362

363

364

365

366367

368

369

370

371

372

373

374

375

376

377

580-04017-21 20217076

commissioners only, committee members, or speakers if the commissioner is a member of a committee of the association of regulatory agencies that organized the conference or is a speaker at the conference. It is not a violation of this subparagraph for a commissioner to attend a conference for which conference participants who are employed by a person regulated by the commission have paid a higher conference registration fee than the commissioner, or to attend a meal or event that is generally available to all conference participants without payment of any fees in addition to the conference fee and that is sponsored, in whole or in part, by a person regulated by the commission. If, during the course of an investigation by the Commission on Ethics into an alleged violation of this subparagraph, allegations are made as to the identity of the person giving or providing the prohibited gift, that person must be given notice and an opportunity to participate in the investigation and relevant proceedings to present a defense. If the Commission on Ethics determines that the person gave or provided a prohibited gift, the person may not appear before the commission or otherwise represent anyone before the commission for a period of 2 years.

- 2. A commissioner may not accept any form of employment with or engage in any business activity with any business entity which, either directly or indirectly, owns or controls any person regulated by the commission, any person regulated by the commission, or any business entity which, either directly or indirectly, is an affiliate or subsidiary of any person regulated by the commission.
  - 3. A commissioner may not have any financial interest,

580-04017-21 20217076

other than shares in a mutual fund, in any person regulated by the commission, in any business entity which, either directly or indirectly, owns or controls any person regulated by the commission, or in any business entity which, either directly or indirectly, is an affiliate or subsidiary of any person regulated by the commission. If a commissioner acquires any financial interest prohibited by this subsection during his or her term of office as a result of events or actions beyond the commissioner's control, he or she shall immediately sell such financial interest or place such financial interest in a blind trust at a financial institution. A commissioner may not attempt to influence, or exercise any control over, decisions regarding the blind trust.

- 4. A commissioner may not accept anything from a party in a proceeding currently pending before the commission. If, during the course of an investigation by the Commission on Ethics into an alleged violation of this subparagraph, allegations are made as to the identity of the person giving or providing the prohibited gift, that person must be given notice and an opportunity to participate in the investigation and relevant proceedings to present a defense. If the Commission on Ethics determines that the person gave or provided a prohibited gift, the person may not appear before the commission or otherwise represent anyone before the commission for a period of 2 years.
- 5. A commissioner may not serve as the representative of any political party or on any executive committee or other governing body of a political party; serve as an executive officer or employee of any political party, committee, organization, or association; receive remuneration for

580-04017-21 20217076

activities on behalf of any candidate for public office; engage on behalf of any candidate for public office in the solicitation of votes or other activities on behalf of such candidacy; or become a candidate for election to any public office without first resigning from office.

- 6. A commissioner, during his or her term of office, may not make any public comment regarding the merits of any proceeding under ss. 120.569 and 120.57 currently pending before the commission.
- 7. A commissioner may not conduct himself or herself in an unprofessional manner at any time during the performance of his or her official duties.
- 8. A commissioner must avoid impropriety in all of his or her activities and must act at all times in a manner that promotes public confidence in the integrity and impartiality of the commission.
- 9. A commissioner may not directly or indirectly, through staff or other means, solicit anything of value from any person regulated by the commission, or from any business entity that, whether directly or indirectly, is an affiliate or subsidiary of any person regulated by the commission, or from any party appearing in a proceeding considered by the commission in the last 2 years.
- (c) A commissioner must annually complete at least 4 hours of ethics training that addresses, at a minimum, s. 8, Art. II of the State Constitution, the Code of Ethics for Public Officers and Employees, and the public records and public meetings laws of this state. This requirement may be satisfied by completion of a continuing legal education class or other

580-04017-21 20217076

continuing professional education class, seminar, or presentation, if the required subjects are covered.

- (d) The Commission on Ethics shall accept and investigate any alleged violations of this subsection pursuant to the procedures contained in ss. 112.322-112.3241. The Commission on Ethics shall provide the Governor, the President of the Senate, and the Speaker of the House of Representatives with a report of its findings and recommendations. The Governor is authorized to enforce the findings and recommendations of the Commission on Ethics, pursuant to part III of chapter 112. A commissioner may request an advisory opinion from the Commission on Ethics, pursuant to s. 112.322(3)(a), regarding the standards of conduct or prohibitions set forth in this section or s. 16.71.
  - (2) EX PARTE COMMUNICATIONS.—
- (a) A commissioner may not initiate or consider ex parte communications concerning the merits, threat, or offer of reward in any proceeding that is currently pending before the commission or that he or she knows or reasonably expects will be filed with the commission within 180 days after the date of any such communication. An individual may not discuss ex parte with a commissioner the merits of any issue that he or she knows will be filed with the commission within 180 days. This paragraph does not apply to commission staff.
- (b) If a commissioner knowingly receives an ex parte communication relative to a proceeding other than as set forth in paragraph (a), to which he or she is assigned, he or she must place on the record of the proceeding copies of all written communications received, all written responses to the communications, and a memorandum stating the substance of all

580-04017-21 20217076

oral communications received and all oral responses made, and shall give written notice to all parties to the communication that such matters have been placed on the record. Any party who desires to respond to an ex parte communication may do so. The response must be received by the commission within 10 days after receiving notice that the ex parte communication has been placed on the record. The commissioner may, if he or she deems it necessary to eliminate the effect of an ex parte communication received by him or her, withdraw from the proceeding, in which case the chair shall substitute another commissioner for the proceeding.

- (c) Any individual who makes an ex parte communication shall submit to the commission a written statement describing the nature of such communication, to include the name of the person making the communication, the name of the commissioner or commissioners receiving the communication, copies of all written communications made, all written responses to such communications, and a memorandum stating the substance of all oral communications received and all oral responses made. The commission shall place on the record of a proceeding all such communications.
- (d) Any commissioner who knowingly fails to place on the record any such communications, in violation of this subsection, within 15 days of the date of such communication is subject to removal and may be assessed a civil penalty not to exceed \$5,000.
- (e)1. It shall be the duty of the Commission on Ethics to receive and investigate sworn complaints of violations of this subsection pursuant to the procedures contained in ss. 112.322-

112.3241.

2. If the Commission on Ethics finds that there has been a violation of this subsection by a commissioner, it shall provide the Governor, the President of the Senate, and the Speaker of the House of Representatives with a report of its findings and recommendations. The Governor is authorized to enforce the findings and recommendations of the Commission on Ethics, pursuant to part III of chapter 112 and to remove from office a commissioner who is found by the Commission on Ethics to have willfully and knowingly violated this subsection. The Governor shall remove from office a commissioner who is found by the Commission on Ethics to have willfully and knowingly violated this subsection after a previous finding by the Commission on Ethics that the commissioner willfully and knowingly violated this subsection in a separate matter.

- 3. If a commissioner fails or refuses to pay the Commission on Ethics any civil penalties assessed pursuant to this subsection, the Commission on Ethics may bring an action in any circuit court to enforce such penalty.
- 4. If, during the course of an investigation by the Commission on Ethics into an alleged violation of this subsection, allegations are made as to the identity of the person who participated in the ex parte communication, that person must be given notice and an opportunity to participate in the investigation and relevant proceedings to present a defense. If the Commission on Ethics determines that the person participated in the ex parte communication, the person may not appear before the commission or otherwise represent anyone before the commission for a period of 2 years.

580-04017-21 20217076

Section 4. Effective July 1, 2022, paragraph (f) of subsection (1) and subsection (7) of section 285.710, Florida Statutes, are amended to read:

285.710 Compact authorization.

- (1) As used in this section, the term:
- (f) "State compliance agency" means the Florida Gaming

  Control Commission Division of Pari-mutuel Wagering of the

  Department of Business and Professional Regulation which is designated as the state agency having the authority to carry out the state's oversight responsibilities under the compact.
- (7) The Florida Gaming Control Commission The Division of Pari-mutuel Wagering of the Department of Business and Professional Regulation is designated as the state compliance agency having the authority to carry out the state's oversight responsibilities under the compact authorized by this section.

Section 5. (1) Effective July 1, 2022, all powers, duties, functions, records, offices, personnel, associated administrative support positions, property, pending issues, existing contracts, administrative authority, administrative rules, and unexpended balances of appropriations, allocations, and other funds in the Department of Business and Professional Regulation related to the oversight responsibilities by the state compliance agency for authorized gaming compacts under s. 285.710, Florida Statutes, the regulation of pari-mutuel wagering under chapter 550, Florida Statutes, the regulation of slot machines and slot machine gaming under chapter 551, Florida Statutes, and the regulation of cardrooms under s. 849.086, Florida Statutes, are transferred by a type two transfer, as defined in s. 20.06(2), Florida Statutes, to the Florida Gaming

555

556

557

558

559

560

561

562

563

564

565

566567

568

569

580-04017-21 20217076

552 <u>Control Commission within the Department of Legal Affairs,</u>
553 Office of the Attorney General.

- (2) Notwithstanding chapter 60L-34, Florida Administrative Code, or any law to the contrary, employees who are transferred from the Department of Business and Professional Regulation to the Florida Gaming Control Commission within the Department of Legal Affairs, Office of the Attorney General to fill positions transferred by this act, retain and transfer any accrued annual leave, sick leave, and regular and special compensatory leave balances.
- (3) The Department of Legal Affairs shall provide administrative support to the Florida Gaming Control Commission until the transfer in subsection (1) is complete.
- Section 6. The Division of Law Revision shall prepare a reviser's bill to conform the Florida Statutes to the transfer described in section 3 of this act.
- Section 7. Except as otherwise expressly provided in this act, this act shall take effect July 1, 2021.