

By the Committee on Regulated Industries; and Senators Simon and Pizzo

580-02243-26

2026530c1

A bill to be entitled

An act relating to state lotteries; amending s. 24.103, F.S.; defining the term "ball machine"; revising the definitions of the terms "major procurement" and "retailer"; amending s. 24.105, F.S.; revising the powers and duties of the Department of the Lottery; amending s. 24.108, F.S.; revising the schedule for the department to have a certain report produced and submitted to the Governor and the Legislature; amending s. 24.111, F.S.; revising the information required to be provided to the department by persons who submit a bid, a proposal, or an offer to negotiate a contract for major procurement; amending s. 24.112, F.S.; revising the bond amount a retailer may be required to post for the period within which the retailer is required to remit lottery funds to the department; revising certain requirements relating to lottery vending machines; amending s. 24.116, F.S.; authorizing the Division of Security's sworn law enforcement officers to purchase and present lottery tickets to a lottery retailer to claim a prize under certain circumstances; amending s. 24.118, F.S.; revising certain prohibitions and penalties relating to presenting a counterfeit or altered state lottery ticket; prohibiting certain false claims relating to state lottery tickets; prohibiting a lottery retailer or an employee thereof from using such position to knowingly facilitate, participate in, or otherwise assist in the theft of a lottery ticket from a retail

580-02243-26

2026530c1

establishment, patron, or customer; providing criminal penalties; defining the terms "patron" and "customer"; providing an effective date.

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

Section 1. Present subsections (1) through (6) of section 24.103, Florida Statutes, are redesignated as subsections (2) through (7), respectively, a new subsection (1) is added to that section, and present subsections (2) and (4) of that section are amended, to read:

24.103 Definitions.—As used in this act:

(1) "Ball machine" means a device that mechanically mixes a set of numbered balls and then randomly draws from that mix to determine the winning numbers for a specific game.

(3)~~(2)~~ "Major procurement" means a procurement for a contract for the printing of tickets for use in any lottery game, ~~consultation services for the startup of the lottery,~~ any goods or services involving the official recording for lottery game play purposes of a player's selections in any lottery game involving player selections, any goods or services involving the receiving of a player's selection directly from a player in any lottery game involving player selections, any goods or services involving the drawing, determination, or generation of winners in any lottery game, the security report services provided for in this act, or any goods and services relating to marketing and promotion which exceed a value of \$25,000.

(5)~~(4)~~ "Retailer" means the department or a person who sells lottery tickets on behalf of the department pursuant to a

580-02243-26

2026530c1

contract.

Section 2. Section. 2. Paragraphs (a) and (d) of subsection (9) and subsection (17) of section 24.105, Florida Statutes, are amended to read:

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

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

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

1. The ~~No~~ name of an elected official may not ~~shall~~ appear on the 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 is in the form of a state warrant.

2. ~~No~~ Coins or currency may not ~~shall~~ be dispensed from any electronic computer terminal or device used in any lottery game.

3. Other than as specifically provided in s. 24.112, a ~~no~~ terminal or device may not be used for any lottery game which may be operated solely by the player without the assistance of the retailer.

(d) The method of selecting winning tickets. However, if a lottery game involves the use of a ball machine to conduct a drawing, the drawing must ~~shall~~ be public and witnessed by an accountant employed by an independent certified public accounting firm. The department shall inspect the equipment used in the drawing ~~shall be inspected~~ before and after the drawing.

(17) ~~Have the authority to~~ Enter into agreements with other states for the operation and promotion of a multistate lottery if such agreements are in the best interest of the state lottery. ~~The authority conferred by this subsection is not~~

580-02243-26

2026530c1

effective until 1 year after the first day of lottery ticket sales.

Section 3. Subsections (6) and (7) of section 24.108, Florida Statutes, are amended to read:

24.108 Division of Security; duties; security report.—

(6) The division shall monitor ticket validation and lottery drawings where ball machines are used to select winning numbers.

(7)(a) By July 1, 2027, and once every 2 years thereafter ~~After the first full year of sales of tickets to the public, or sooner if the secretary deems necessary~~, the department shall engage an independent firm experienced in security procedures, including, but not limited to, computer security and systems security, to conduct a comprehensive study and evaluation of all aspects of security in the operation of the department.

(b) The portion of the security report containing the overall evaluation of the department in terms of each aspect of security must ~~shall~~ be presented to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The portion of the security report containing specific recommendations is ~~shall be~~ confidential and must ~~shall~~ be presented only to the secretary, the Governor, and the Auditor General; however, upon certification that such information is necessary for the purpose of effecting legislative changes, such information must ~~shall~~ be disclosed to the President of the Senate and the Speaker of the House of Representatives, who may disclose such information to members of the Legislature and legislative staff as necessary to effect such purpose. However, any person who receives a copy of such information or other

580-02243-26

2026530c1

information which is confidential pursuant to this act or rule of the department shall maintain its confidentiality. The confidential portion of the report is exempt from ~~the provisions of~~ s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

~~(c) Thereafter, similar studies of security shall be conducted as the department deems appropriate but at least once every 2 years.~~

Section 4. Subsection (2) of section 24.111, Florida Statutes, is amended to read:

24.111 Vendors; disclosure and contract requirements.—

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

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

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

580-02243-26

2026530c1

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

148 3. If the vendor is an association, the members, officers,
149 and directors.

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

152
153 If the vendor subcontracts any substantial portion of the work
154 to be performed to a subcontractor, the vendor must ~~shall~~
155 disclose all of the information required by this paragraph for
156 the subcontractor as if the subcontractor were itself a vendor.

157 (b) A disclosure of all the states and jurisdictions in
158 which the vendor does business and of the nature of that
159 business for each such state or jurisdiction.

160 (c) A disclosure of all the states and jurisdictions in
161 which the vendor has contracts to supply gaming goods or
162 services, including, but not limited to, lottery goods and
163 services, and of the nature of the goods or services involved
164 for each such state or jurisdiction.

165 (d) A disclosure of all the states and jurisdictions in
166 which the vendor has applied for, has sought renewal of, has
167 received, has been denied, has pending, or has had revoked a
168 gaming license or contract of any kind and of the disposition of
169 such in each such state or jurisdiction. If any gaming license
170 or contract has been revoked or has not been renewed or any
171 gaming license or contract application has been either denied or
172 is pending and has remained pending for more than 6 months, all
173 of the facts and circumstances underlying this failure to
174 receive such a license must be disclosed.

580-02243-26

2026530c1

(e) A disclosure of the details of any conviction or judgment of a state or federal court of the vendor of any felony or any other criminal offense other than a traffic violation.

(f) A disclosure of the details of any bankruptcy, insolvency, reorganization, or any pending litigation of the vendor.

(g) Such additional disclosures and information as the department may determine to be appropriate for the procurement involved.

~~(h) The department shall lease all vending machines that dispense online lottery tickets, instant lottery tickets, or both online and instant lottery tickets.~~

~~(i) The department will require a performance bond for the duration of the contract.~~

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

Section 5. Subsection (9) and paragraph (a) of subsection (15) of section 24.112, Florida Statutes, are amended to read:

580-02243-26

2026530c1

204 24.112 Retailers of lottery tickets; authorization of
205 vending machines to dispense lottery tickets.—

206 (9)(a) The department may require every retailer to post an
207 appropriate bond as determined by the department, using an
208 insurance company acceptable to the department, in an amount not
209 to exceed three times ~~twice~~ the average lottery ticket sales of
210 the retailer for the period within which the retailer is
211 required to remit lottery funds to the department. For the first
212 90 days of sales of a new retailer, the amount of the bond may
213 not exceed three times ~~twice~~ the average estimated lottery
214 ticket sales for the period within which the retailer is
215 required to remit lottery funds to the department. This
216 paragraph does ~~shall~~ not apply to lottery tickets which are
217 prepaid by the retailer.

218 (b) In lieu of such bond, the department may do any of the
219 following:

220 1. Purchase blanket bonds covering all or selected
221 retailers.

222 2. ~~or may~~ Allow a retailer to deposit and maintain with the
223 Chief Financial Officer securities that are interest bearing or
224 accruing and that, with the exception of those specified in sub-
225 subparagraphs a. and b. ~~subparagraphs 1. and 2.,~~ are rated in
226 one of the four highest classifications by an established
227 nationally recognized investment rating service. Securities
228 eligible under this subparagraph are ~~paragraph shall be~~ limited
229 to:

230 a.1- Certificates of deposit issued by solvent banks or
231 savings associations organized and existing under the laws of
232 this state or under the laws of the United States and having

580-02243-26

2026530c1

their principal place of business in this state.

~~b.2.~~ United States bonds, notes, and bills for which the full faith and credit of the government of the United States is pledged for the payment of principal and interest.

~~c.3.~~ General obligation bonds and notes of any political subdivision of the state.

~~d.4.~~ Corporate bonds of any corporation that is not an affiliate or subsidiary of the depositor.

3. Allow a retailer to remit funds to the department for deposit in an interest-bearing bank account held by the department.

Such securities must ~~shall~~ be held in trust and ~~shall~~ have at all times a market value at least equal to an amount required by the department.

(15) A vending machine may be used to dispense ~~online lottery tickets, instant lottery tickets, or~~ both online and instant lottery tickets.

(a) The vending machine must:

1. Dispense a lottery ticket following receipt of payment after a purchaser inserts a coin or currency in the machine;~~;~~

2. Be capable of being electronically deactivated for a period of 5 minutes or more; and~~;~~

3. Be designed to prevent its use for any purpose other than dispensing a lottery ticket.

Section 6. Subsection (2) of section 24.116, Florida Statutes, is amended to read:

24.116 Unlawful purchase of lottery tickets; penalty.—

(2) An ~~No~~ officer or employee of the department or any

580-02243-26

2026530c1

relative living in the same household with such officer or employee may not purchase a lottery ticket. Sworn law enforcement officers employed by the Division of Security may purchase lottery tickets and present lottery tickets to a lottery retailer to claim a prize when such purchase or presentation of lottery tickets is necessary for the performance of the officers' official duties, including, but not limited to, compliance operations and investigations.

Section 7. Subsection (3) of section 24.118, Florida Statutes, is amended, and subsections (5) and (6) are added to that section, to read:

24.118 Other prohibited acts; penalties.—

(3) COUNTERFEIT OR ALTERED TICKETS.—A ~~Any~~ person who:

(a) Knowingly presents a counterfeit or altered state lottery ticket;

(b) Knowingly transfers a counterfeit or altered state lottery ticket to another to present for payment; or

(c) With intent to defraud, falsely makes, alters, forges, passes, or counterfeits a state lottery ticket; ~~or~~

~~(d) Files with the department a claim for payment based upon facts alleged by the claimant which facts are untrue and known by the claimant to be untrue when the claim is made;~~

commits is guilty of a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

(5) FALSE CLAIM.—A person may not, when presenting or causing to be presented any claim for payment or approval to an officer or employee of the department or to a lottery retailer, knowingly and willfully:

580-02243-26

2026530c1

291 (a) Falsify or conceal a material fact;

292 (b) Make a false, fictitious, or fraudulent statement or
293 representation relating to a material fact; or

294 (c) Make or use any false document, knowing the document
295 contains a false, fictitious, or fraudulent statement or entry
296 relating to a material fact.

297
298 A person who violates this subsection commits a felony of the
299 third degree, punishable as provided in s. 775.082, s. 775.083,
300 or s. 775.084.

301 (6) THEFT OF LOTTERY TICKET BY RETAILER.—

302 (a) A lottery retailer or an employee thereof may not use
303 his or her position to knowingly facilitate, participate in, or
304 otherwise assist in the theft of any lottery ticket from the
305 retail establishment or from a patron or customer of the retail
306 establishment.

307 (b) A person who violates paragraph (a) commits a felony of
308 the third degree, punishable as provided in s. 775.082, s.
309 775.083, or s. 775.084.

310 (c) As used in this subsection, the terms "patron" and
311 "customer" include a sworn law enforcement officer of the
312 Division of Security presenting a lottery ticket to a lottery
313 retailer to claim a prize during the performance of the law
314 enforcement officer's official duties.

315 Section 8. This act shall take effect July 1, 2026.