

Council Substitute for House Bill No. 1047

An act relating to slot machine gaming, as authorized by Section 23 of Article X of the State Constitution; amending s. 551.102, F.S.; defining the term “nonredeemable credits”; redefining the term “slot machine revenues”; amending s. 551.103, F.S.; deleting a requirement that the Division of Pari-mutuel Wagering annually adjust the amount of the bond supplied by a slot machine licensee; establishing the annual amount of bond required; providing for procedures for drug testing; amending s. 551.104, F.S.; providing for implementation of a drug-testing program; amending s. 551.1045, F.S.; providing procedures for temporary occupational licenses; deleting provisions for temporary licensees to be adopted within 180 days; amending s. 551.106, F.S.; establishing when payment of the annual slot machine license fee must be made by a licensee; amending s. 551.107, F.S.; authorizing the division to adopt rules to create a single occupational license; providing for validity; providing for additional disciplinary actions and civil fines; amending s. 551.109, F.S.; exempting slot machine manufacturers and distributors, certain educational facilities, the division, and the Department of Law Enforcement from certain prohibitions against possessing slot machines at a place other than the licensee’s facility under certain circumstances; authorizing agency rulemaking; amending s. 551.114, F.S.; increasing the number of slot machines a licensee may make available for play; amending s. 551.116, F.S.; increasing the hours that slot machine gaming areas may be open; amending s. 551.121, F.S.; authorizing automatic teller machines in certain areas of a pari-mutuel facility; revising prohibition against cashing checks to allow cashing checks outside the designated slot machine gaming area; authorizing the linking of machines within the slot machine facility for the purpose of progressive games; amending s. 849.15, F.S.; clarifying the authority to legally ship slot machines into the state under certain circumstances; providing an appropriation; providing an effective date.

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

Section 1. Present subsections (6) through (12) of section 551.102, Florida Statutes, are redesignated as subsections (7) through (13), respectively, a new subsection (6) is added to that section, and present subsection (12) of that section is amended, to read:

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

(6) “Nonredeemable credits” means slot machine operating credits that cannot be redeemed for cash or any other thing of value by a slot machine, kiosk, or the slot machine licensee and that are provided free of charge to patrons. Such credits do not constitute “nonredeemable credits” until such time as they are metered as credit into a slot machine and recorded in the facility-based monitoring system.

(13)(12) “Slot machine revenues” means the total of all cash and property, ~~except nonredeemable credits,~~ received by the slot machine licensee from the operation of slot machines less the amount of cash, cash equivalents, credits, and prizes paid to winners of slot machine gaming.

Section 2. Paragraph (f) of subsection (1) of section 551.103, Florida Statutes, is amended, and paragraph (j) is added to that subsection, to read:

551.103 Powers and duties of the division and law enforcement.—

(1) The division shall adopt, pursuant to the provisions of ss. 120.536(1) and 120.54, all rules necessary to implement, administer, and regulate slot machine gaming as authorized in this chapter. Such rules must include:

(f) Procedures for requiring each licensee at his or her own cost and expense to supply the division with a bond having the penal sum of \$2 million payable to the Governor and his or her successors in office for each year of the licensee’s first year of slot machine operations. Annually thereafter, the licensee shall file a bond having a penal sum that is determined each year by the division pursuant to rules adopted by the division and that approximates the anticipated state revenues from the licensee’s slot machine operation; however, the bond may not in any case be less than \$2 million. Any bond shall be issued by a surety or sureties approved by the division and the Chief Financial Officer, conditioned to faithfully make the payments to the Chief Financial Officer in his or her capacity as treasurer of the division. The licensee shall be required to keep its books and records and make reports as provided in this chapter and to conduct its slot machine operations in conformity with this chapter and all other provisions of law. Such bond shall be separate and distinct from the bond required in s. 550.125.

(j) Procedures for requiring slot machine licensees to implement and establish drug-testing programs for all slot machine occupational licensees.

Section 3. Paragraph (i) of subsection (4) of section 551.104, Florida Statutes, is amended to read:

551.104 License to conduct slot machine gaming.—

(4) As a condition of licensure and to maintain continued authority for the conduct of slot machine gaming, the slot machine licensee shall:

(i) Create and file with the division a written policy for:

1. Creating opportunities to purchase from vendors in this state, including minority vendors.

2. Creating opportunities for employment of residents of this state, including minority residents.

3. Ensuring opportunities for construction services from minority contractors.

4. Ensuring that opportunities for employment are offered on an equal, nondiscriminatory basis.

5. Training for employees on responsible gaming and working with a compulsive or addictive gambling prevention program to further its purposes as provided for in s. 551.118.

6. The implementation of a drug-testing program that includes, but is not limited to, requiring each employee to sign an agreement that he or she understands that the slot machine facility is a drug-free workplace.

The slot machine licensee shall use the Internet-based job-listing system of the Agency for Workforce Innovation in advertising employment opportunities. Beginning in June 2007, each slot machine licensee shall provide an annual report to the division containing information indicating compliance with this paragraph in regard to minority persons.

Section 4. Section 551.1045, Florida Statutes, is amended to read:

551.1045 Temporary licenses.—

(1) Notwithstanding any provision of s. 120.60 to the contrary, the division may issue a temporary occupational license upon the receipt of a complete application from the applicant and a determination that the applicant has not been convicted of or had adjudication withheld on any disqualifying criminal offense. The temporary occupational license remains valid until such time as the division grants an occupational license or notifies the applicant of its intended decision to deny the applicant a license pursuant to the provisions of s. 120.60. The division shall adopt rules to administer this subsection. However, not more than one temporary license may be issued for any person in any year.

~~(1)(a) After 180 days following the effective date of this act, if the division has not adopted rules to implement the provisions of this chapter that allow for the issuance of slot machine licenses within such 180 days, the division shall issue a temporary slot machine license to an applicant if the applicant holds a valid pari-mutuel permit in good standing under chapter 550, the applicant's ownership interests have been previously approved as provided in chapter 550, and the applicant has conducted live racing or games during the calendar years 2002 and 2003 and has paid the license fee provided in s. 551.106(1). The slot machine license will permit the licensee to conduct slot machine gaming in the designated slot machine gaming areas of the eligible facility.~~

~~(b) The temporary license is valid until the division has adopted rules implementing the provisions of this chapter and taken final action on the filed application under its final adopted rules. Once the division has adopted rules implementing the provisions of this chapter, it shall complete review of any filed application and shall issue a license under s. 551.104 if the licensee meets the requirements of this chapter and rules adopted by the division.~~

~~(2)(a) A manufacturer or distributor of slot machines who has applied for a license under s. 551.107 shall be issued a temporary business occupational license if it holds a valid license to manufacture or distribute slot machines in a state where gaming is lawful.~~

~~(b) The temporary license is valid until the division has adopted rules implementing the provisions of this chapter and taken final action on the filed application under its final adopted rules. Once the division has adopted rules implementing the provisions of this chapter, it shall complete review of any filed application and shall issue a license under s. 551.107 if the licensee meets the requirements of this chapter and rules adopted by the division.~~

~~(2)(3) A temporary license issued under this section is nontransferable. Any temporary license issued under this section shall be valid during the pendency of any challenge to the rules.~~

Section 5. Paragraph (a) of subsection (1) of section 551.106, Florida Statutes, is amended to read:

551.106 License fee; tax rate; penalties.—

(1) LICENSE FEE.—

(a) Upon submission of the initial application for a slot machine license and annually thereafter, on the anniversary date of the issuance of the initial license upon submission of an application for renewal of the slot machine license, the licensee must pay to the division a nonrefundable license fee of \$3 million for the succeeding 12 months of licensure. The license fee shall be deposited into the Pari-mutuel Wagering Trust Fund of the Department of Business and Professional Regulation to be used by the division and the Department of Law Enforcement for investigations, regulation of slot machine gaming, and enforcement of slot machine gaming provisions under this chapter. These payments shall be accounted for separately from taxes or fees paid pursuant to the provisions of chapter 550.

Section 6. Subsection (2) and paragraph (b) of subsection (4) of section 551.107, Florida Statutes, are amended, and subsections (9), (10), and (11) are added to that section, to read:

551.107 Slot machine occupational license; findings; application; fee.—

(2)(a) The following slot machine occupational licenses shall be issued to persons or entities that, by virtue of the positions they hold, might be granted access to slot machine gaming areas or to any other person or entity in one of the following categories:

1. General occupational licenses for general employees, including food service, maintenance, and other similar service and support employees having access to the slot machine gaming area.

2. Professional occupational licenses for any person, proprietorship, partnership, corporation, or other entity that is authorized by a slot machine

licensee to manage, oversee, or otherwise control daily operations as a slot machine manager, a floor supervisor, security personnel, or any other similar position of oversight of gaming operations, or any person who is not an employee of the slot machine licensee and who provides maintenance, repair, or upgrades or otherwise services a slot machine or other slot machine equipment.

3. Business occupational licenses for any slot machine management company or company associated with slot machine gaming, any person who manufactures, distributes, or sells slot machines, slot machine paraphernalia, or other associated equipment to slot machine licensees, or any company that sells or provides goods or services associated with slot machine gaming to slot machine licensees, or any person not an employee of the slot machine licensee who provides maintenance, repair, or upgrades or otherwise services a slot machine or other slot machine equipment.

(b) The division may issue one license to combine licenses under this section with pari-mutuel occupational licenses and cardroom licenses pursuant to s. 550.105(2)(b). The division shall adopt rules pertaining to occupational licenses under this subsection. Such rules may specify, but need not be limited to, requirements and restrictions for licensed occupations and categories, procedures to apply for any license or combination of licenses, disqualifying criminal offenses for a licensed occupation or categories of occupations, and which types of occupational licenses may be combined into a single license under this section. The fingerprinting requirements of subsection (7) apply to any combination license that includes slot machine license privileges under this section. The division may not adopt a rule allowing the issuance of an occupational license to any person who does not meet the minimum background qualifications under this section.

~~(b) Notwithstanding any provision of law to the contrary, a pari-mutuel occupational licensee holding a currently valid pari-mutuel occupational license is eligible to act as a slot machine occupational licensee upon the effective date of this act until such time as rules have been adopted and such pari-mutuel occupational licensee has been provided a reasonable opportunity to comply with the rules.~~

(c) Slot machine occupational licenses are not transferable.

(4)

(b) A slot machine license or combination license is valid for the same term as a pari-mutuel occupational license issued pursuant to s. 550.105(1). The division shall establish, by rule, a schedule for the annual renewal of slot machine occupational licenses.

(9) The division may deny, revoke, or suspend any occupational license if the applicant or holder of the license accumulates unpaid obligations, defaults in obligations, or issues drafts or checks that are dishonored or for which payment is refused without reasonable cause.

(10) The division may fine or suspend, revoke, or place conditions upon the license of any licensee who provides false information under oath regarding an application for a license or an investigation by the division.

(11) The division may impose a civil fine of up to \$5,000 for each violation of this chapter or the rules of the division in addition to or in lieu of any other penalty provided for in this section. The division may adopt a penalty schedule for violations of this chapter or any rule adopted pursuant to this chapter for which it would impose a fine in lieu of a suspension and adopt rules allowing for the issuance of citations, including procedures to address such citations, to persons who violate such rules. In addition to any other penalty provided by law, the division may exclude from all licensed slot machine facilities in this state, for a period not to exceed the period of suspension, revocation, or ineligibility, any person whose occupational license application has been declared ineligible to hold an occupational license or whose occupational license has been suspended or revoked by the division.

Section 7. Subsection (2) of section 551.109, Florida Statutes, is amended to read:

551.109 Prohibited acts; penalties.—

(2) Except as otherwise provided by law and in addition to any other penalty, any person who possesses a slot machine without the license required by this chapter or who possesses a slot machine at any location other than at the slot machine licensee's facility is subject to an administrative fine or civil penalty of up to \$10,000 per machine. The prohibition in this subsection does not apply to:

(a) Slot machine manufacturers or slot machine distributors that hold appropriate licenses issued by the division who are authorized to maintain a slot machine storage and maintenance facility at any location in a county in which slot machine gaming is authorized by this chapter. The division may adopt rules regarding security and access to the storage facility and inspections by the division.

(b) Certified educational facilities that are authorized to maintain slot machines for the sole purpose of education and licensure, if any, of slot machine technicians, inspectors, or investigators. The division and the Department of Law Enforcement may possess slot machines for training and testing purposes. The division may adopt rules regarding the regulation of any such slot machines used for educational, training, or testing purposes.

Section 8. Subsection (1) of section 551.114, Florida Statutes, is amended to read:

551.114 Slot machine gaming areas.—

(1) A slot machine licensee may make available for play up to ~~2,000~~ 1,500 slot machines within the property of the facilities of the slot machine licensee.

Section 9. Section 551.116, Florida Statutes, is amended to read:

551.116 Days and hours of operation.—Slot machine gaming areas may be open daily throughout the year. The slot machine gaming areas may be open a cumulative amount of 18 hours per day on Monday through Friday

and 24 for a maximum of 16 hours per day on Saturday and Sunday and on those holidays specified in s. 110.117(1).

Section 10. Section 551.121, Florida Statutes, is amended to read:

551.121 Prohibited activities and devices; exceptions.—

(1) Complimentary or reduced-cost alcoholic beverages may not be served to persons playing a slot machine. Alcoholic beverages served to persons playing a slot machine shall cost at least the same amount as alcoholic beverages served to the general public at a bar within the facility.

(2) A slot machine licensee may not make any loan, provide credit, or advance cash in order to enable a person to play a slot machine. This subsection shall not prohibit automated ticket redemption machines that dispense cash resulting from the redemption of tickets from being located in the designated slot machine gaming area of the slot machine licensee.

(3) A slot machine licensee may not allow any automated teller machine or similar device designed to provide credit or dispense cash to be located within the designated slot machine gaming areas of a facility of a facilities of the slot machine licensee.

(4)(a) A slot machine licensee may not accept or cash any personal, third-party, corporate, business, or government-issued check from any person within the designated slot machine gaming areas of a facility of a slot machine licensee.

(b) Except as provided in paragraph (c) for employees of the facility, a slot machine licensee or operator shall not accept or cash for any person within the property of the facility any government-issued check, third party check, or payroll check made payable to an individual.

(c) Outside the designated slot machine gaming areas, a slot machine licensee or operator may accept or cash a check for an employee of the facility who is prohibited from wagering on a slot machine under s. 551.108(5), a check made directly payable to a person licensed by the division, or a check made directly payable to the slot machine licensee or operator from:

1. A pari-mutuel patron; or
2. A pari-mutuel facility in this state or in another state.

(d) Unless accepting or cashing a check is prohibited by this subsection, nothing shall prohibit a slot machine licensee or operator from accepting and depositing in its accounts checks received in the normal course of business.

(5) A slot machine, or the computer operating system linking the slot machine, may ~~not~~ be linked by any means to any other slot machine or computer operating system within the facility of ~~a~~ another slot machine licensee. A progressive system may not be used in conjunction with slot machines ~~within or~~ between licensed facilities.

(6) A slot machine located within a licensed facility shall accept only tickets or paper currency or an electronic payment system for wagering and return or deliver payouts to the player in the form of tickets that may be exchanged for cash, merchandise, or other items of value. The use of coins, credit or debit cards, tokens, or similar objects is specifically prohibited. However, an electronic credit system may be used for receiving wagers and making payouts.

Section 11. Subsection (2) of section 849.15, Florida Statutes, is amended to read:

849.15 Manufacture, sale, possession, etc., of coin-operated devices prohibited.—

(2) Pursuant to section 2 of that chapter of the Congress of the United States entitled “An act to prohibit transportation of gaming devices in interstate and foreign commerce,” approved January 2, 1951, being ch. 1194, 64 Stat. 1134, and also designated as 15 U.S.C. ss. 1171-1177, the State of Florida, acting by and through the duly elected and qualified members of its Legislature, does hereby in this section, and in accordance with and in compliance with the provisions of section 2 of such chapter of Congress, declare and proclaim that any county of the State of Florida within which slot machine gaming is authorized pursuant to chapter 551 is exempt from the provisions of section 2 of that chapter of the Congress of the United States entitled “An act to prohibit transportation of gaming devices in interstate and foreign commerce,” designated as 15 U.S.C. ss. 1171-1177, approved January 2, 1951. All shipments of gaming devices, including slot machines, into any county of this state within which slot machine gaming is authorized pursuant to chapter 551 and the registering, recording, and labeling of which have been duly performed by the manufacturer or distributor thereof in accordance with sections 3 and 4 of that chapter of the Congress of the United States entitled “An act to prohibit transportation of gaming devices in interstate and foreign commerce,” approved January 2, 1951, being ch. 1194, 64 Stat. 1134, and also designated as 15 U.S.C. ss. 1171-1177, shall be deemed legal shipments thereof into this state any such county provided the destination of such shipments is an eligible facility as defined in s. 551.102 or the facility of a slot machine manufacturer or slot machine distributor as provided in s. 551.109(2)(a).

Section 12. For fiscal year 2007-2008, three full-time equivalent positions and 125,907 in associated salary rate are authorized, and the sums of \$197,369 in recurring funds and \$44,178 in nonrecurring funds from the Pari-mutuel Wagering Trust Fund of the Department of Business and Professional Regulation are appropriated to the Office of the State Attorney, 17th Judicial Circuit, for the purpose of investigating and prosecuting offenses associated with gaming operations.

Section 13. This act shall take effect upon becoming a law.

Became a law without the Governor’s approval July 4, 2007.

Filed in Office Secretary of State June 27, 2007.