

By Senator Abruzzo

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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 monies 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 is

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30 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 by
48 an amusement machine business and registered under this chapter.

49 (2) "Amusement machine" means a machine that displays games
50 and is operated for the purpose of entertainment or amusement.
51 The term includes only noncasino games that require skill. The
52 term does not include a game or device defined as a gambling
53 device in 15 U.S.C. s. 1171. An amusement machine is not
54 considered a coin-operated amusement machine for the purposes of
55 chapter 212.

56 (3) "Amusement machine business" means a business entity
57 that offers amusement machine play pursuant to this chapter and
58 that limits entry to its amusement machine centers to persons

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59 who are 21 years of age or older.

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

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

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

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

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

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

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

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

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

82 (e) Technical proficiency or expertise.

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

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

87 Section 4. Section 547.03, Florida Statutes, is created to

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88 read:

89 547.03 Administration.—The department shall adopt rules to
90 implement and administer this chapter and may create a division
91 to perform such functions.

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

94 547.04 Authorization.—An amusement machine business may be
95 operated in this state if it satisfies the requirements of this
96 chapter and department rule.

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

99 547.05 Licensure and registration; fees.—A person may not
100 operate an amusement machine business in this state unless the
101 person obtains an amusement machine license from the department
102 and each amusement machine center operated under that license is
103 registered with the department.

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

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

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

114 (d) Demonstrate that each amusement machine center contains
115 at least 50 machines.

116 (e) Pay the annual permitting fee required for each

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117 amusement machine.

118 (f) Pay a one-time licensing fee.

119 (g) Satisfy the requirements of this chapter and department
120 rule.

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

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

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

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

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

128 547.06 Tax.—A tax of 7.5 percent shall be assessed on the
129 net revenue generated by each amusement machine.

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

132 547.07 Points card.—Customers may receive prizes from play
133 only through the exchange of points on a points card, which
134 shall be made available by an amusement machine center to each
135 customer. An amusement machine center may not award cash prizes
136 to its customers and all points awarded must be reported to the
137 department.

138 (1) To obtain points cards for its customers, amusement
139 machine businesses must select a points card provider. The
140 points card provider must be a money services business licensed
141 under chapter 560 or an authorized vendor of such money services
142 business. The points cards must contain a conspicuously located
143 notice that states, "Not valid for the purchase of alcoholic
144 beverages, gift cards, or gift certificates, and may not be
145 exchanged for cash." A points card provider may not sell or

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146 market, in any advertising medium, its points card products to
147 the general public or redeem a points card for cash. A points
148 card provider may only distribute points cards to amusement
149 machine businesses and their amusement machine centers. Points
150 cards may be purchased only through electronic bank transfers
151 between a points card provider and an amusement machine
152 business.

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

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

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

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

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

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

180 (6) Points cards may only be issued to customers who
181 register with a points card provider, pass a United States
182 Office of Foreign Assets Control check, and agree to allow their
183 redemption value to be reported to the department.

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

186 547.08 Violations.—An owner of an amusement machine
187 business or an operator of an amusement machine center who
188 violates this chapter commits a felony of the third degree,
189 punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

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