



354378

LEGISLATIVE ACTION

| Senate | . | House |
|------------|---|-------|
| Comm: FAV | . | |
| 02/19/2016 | . | |
| | . | |
| | . | |
| | . | |

The Committee on Regulated Industries (Richter) recommended the following:

Senate Amendment (with title amendment)

Before line 208

insert:

Section 1. Effective upon becoming a law, section 24.103, Florida Statutes, is reordered and amended to read:

24.103 Definitions.—As used in this act, the term:

(1) "Department" means the Department of the Lottery.

(6)~~(2)~~ "Secretary" means the secretary of the department.

(3) "Person" means any individual, firm, association, joint



354378

11 adventure, partnership, estate, trust, syndicate, fiduciary,
12 corporation, or other group or combination and includes an ~~shall~~
13 ~~include any~~ agency or political subdivision of the state.

14 (4) "Point-of-sale terminal" means an electronic device
15 used to process credit card, debit card, or other similar charge
16 card payments at retail locations which is supported by networks
17 that enable verification, payment, transfer of funds, and
18 logging of transactions.

19 (2)~~(4)~~ "Major procurement" means a procurement for a
20 contract for the printing of tickets for use in any lottery
21 game, consultation services for the startup of the lottery, any
22 goods or services involving the official recording for lottery
23 game play purposes of a player's selections in any lottery game
24 involving player selections, any goods or services involving the
25 receiving of a player's selection directly from a player in any
26 lottery game involving player selections, any goods or services
27 involving the drawing, determination, or generation of winners
28 in any lottery game, the security report services provided for
29 in this act, or any goods and services relating to marketing and
30 promotion which exceed a value of \$25,000.

31 (5) "Retailer" means a person who sells lottery tickets on
32 behalf of the department pursuant to a contract.

33 (7)~~(6)~~ "Vendor" means a person who provides or proposes to
34 provide goods or services to the department, but does not
35 include an employee of the department, a retailer, or a state
36 agency.

37 Section 2. Effective upon becoming a law, present
38 subsections (19) and (20) of section 24.105, Florida Statutes,
39 are redesignated as subsections (20) and (21), respectively, and



354378

40 a new subsection (19) is added to that section, to read:

41 24.105 Powers and duties of department.—The department
42 shall:

43 (19) Have the authority to create a program that allows a
44 person who is at least 18 years of age to purchase a lottery
45 ticket or game at a point-of-sale terminal. The department may
46 adopt rules to administer the program. Such rules shall include,
47 but are not limited to, the following:

48 (a) Limiting the dollar amount of lottery tickets or games
49 that a person may purchase at point-of-sale terminals;

50 (b) Creating a process to enable a customer to restrict or
51 prevent his or her own access to lottery tickets or games; and

52 (c) Ensuring that the program is administered in a manner
53 that does not breach the exclusivity provisions of any Indian
54 gaming compact to which this state is a party.

55 Section 3. Effective upon becoming a law, section 24.112,
56 Florida Statutes, is amended to read:

57 24.112 Retailers of lottery tickets; ~~authorization of~~
58 ~~vending machines; point-of-sale terminals to dispense lottery~~
59 ~~tickets.—~~

60 (1) The department shall promulgate rules specifying the
61 terms and conditions for contracting with retailers who will
62 best serve the public interest and promote the sale of lottery
63 tickets.

64 (2) In the selection of retailers, the department shall
65 consider factors such as financial responsibility, integrity,
66 reputation, accessibility of the place of business or activity
67 to the public, security of the premises, the sufficiency of
68 existing retailers to serve the public convenience, and the



354378

69 projected volume of the sales for the lottery game involved. In
70 the consideration of these factors, the department may require
71 the information it deems necessary of any person applying for
72 authority to act as a retailer. However, the department may not
73 establish a limitation upon the number of retailers and shall
74 make every effort to allow small business participation as
75 retailers. It is the intent of the Legislature that retailer
76 selections be based on business considerations and the public
77 convenience and that retailers be selected without regard to
78 political affiliation.

79 (3) The department may ~~shall~~ not contract with any person
80 as a retailer who:

81 (a) Is less than 18 years of age.

82 (b) Is engaged exclusively in the business of selling
83 lottery tickets; however, this paragraph may ~~shall~~ not preclude
84 the department from selling lottery tickets.

85 (c) Has been convicted of, or entered a plea of guilty or
86 nolo contendere to, a felony committed in the preceding 10
87 years, regardless of adjudication, unless the department
88 determines that:

89 1. The person has been pardoned or the person's civil
90 rights have been restored;

91 2. Subsequent to such conviction or entry of plea the
92 person has engaged in the kind of law-abiding commerce and good
93 citizenship that would reflect well upon the integrity of the
94 lottery; or

95 3. If the person is a firm, association, partnership,
96 trust, corporation, or other entity, the person has terminated
97 its relationship with the individual whose actions directly



354378

98 contributed to the person's conviction or entry of plea.

99 (4) The department shall issue a certificate of authority
100 to each person with whom it contracts as a retailer for purposes
101 of display pursuant to subsection (6). The issuance of the
102 certificate may ~~shall~~ not confer upon the retailer any right
103 apart from that specifically granted in the contract. The
104 authority to act as a retailer may ~~shall~~ not be assignable or
105 transferable.

106 (5) A ~~Any~~ contract executed by the department pursuant to
107 this section shall specify the reasons for any suspension or
108 termination of the contract by the department, including, but
109 not limited to:

110 (a) Commission of a violation of this act or rule adopted
111 pursuant thereto.

112 (b) Failure to accurately account for lottery tickets,
113 revenues, or prizes as required by the department.

114 (c) Commission of any fraud, deceit, or misrepresentation.

115 (d) Insufficient sale of tickets.

116 (e) Conduct prejudicial to public confidence in the
117 lottery.

118 (f) Any material change in any matter considered by the
119 department in executing the contract with the retailer.

120 (6) Each ~~Every~~ retailer shall post and keep conspicuously
121 displayed in a location on the premises accessible to the public
122 its certificate of authority and, with respect to each game, a
123 statement supplied by the department of the estimated odds of
124 winning a ~~some~~ prize for the game.

125 (7) A ~~No~~ contract with a retailer may not ~~shall~~ authorize
126 the sale of lottery tickets at more than one location, and a



354378

127 retailer may sell lottery tickets only at the location stated on
128 the certificate of authority.

129 (8) With respect to any retailer whose rental payments for
130 premises are contractually computed, in whole or in part, on the
131 basis of a percentage of retail sales, and where such
132 computation of retail sales is not explicitly defined to include
133 sales of tickets in a state-operated lottery, the compensation
134 received by the retailer from the department shall be deemed to
135 be the amount of the retail sale for the purposes of such
136 contractual compensation.

137 (9) (a) The department may require each ~~every~~ retailer to
138 post an appropriate bond as determined by the department, using
139 an insurance company acceptable to the department, in an amount
140 not to exceed twice the average lottery ticket sales of the
141 retailer for the period within which the retailer is required to
142 remit lottery funds to the department. For the first 90 days of
143 sales of a new retailer, the amount of the bond may not exceed
144 twice the average estimated lottery ticket sales for the period
145 within which the retailer is required to remit lottery funds to
146 the department. This paragraph does ~~shall~~ not apply to lottery
147 tickets that ~~which~~ are prepaid by the retailer.

148 (b) In lieu of such bond, the department may purchase
149 blanket bonds covering all or selected retailers or may allow a
150 retailer to deposit and maintain with the Chief Financial
151 Officer securities that are interest bearing or accruing and
152 that, with the exception of those specified in subparagraphs 1.
153 and 2., are rated in one of the four highest classifications by
154 an established nationally recognized investment rating service.
155 Securities eligible under this paragraph shall be limited to:



354378

156 1. Certificates of deposit issued by solvent banks or
157 savings associations organized and existing under the laws of
158 this state or under the laws of the United States and having
159 their principal place of business in this state.

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

163 3. General obligation bonds and notes of any political
164 subdivision of the state.

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

167
168 Such securities shall be held in trust and shall have at all
169 times a market value at least equal to an amount required by the
170 department.

171 (10) Each ~~Every~~ contract entered into by the department
172 pursuant to this section shall contain a provision for payment
173 of liquidated damages to the department for any breach of
174 contract by the retailer.

175 (11) The department shall establish procedures by which
176 each retailer shall account for all tickets sold by the retailer
177 and account for all funds received by the retailer from such
178 sales. The contract with each retailer shall include provisions
179 relating to the sale of tickets, payment of moneys to the
180 department, reports, service charges, and interest and
181 penalties, if necessary, as the department shall deem
182 appropriate.

183 (12) ~~No~~ Payment by a retailer to the department for tickets
184 may not shall be in cash. All such payments shall be in the form



354378

185 of a check, bank draft, electronic fund transfer, or other
186 financial instrument authorized by the secretary.

187 (13) Each retailer shall provide accessibility for disabled
188 persons on habitable grade levels. This subsection does not
189 apply to a retail location that ~~which~~ has an entrance door
190 threshold more than 12 inches above ground level. As used in
191 ~~herein and for purposes of~~ this subsection only, the term
192 "accessibility for disabled persons on habitable grade levels"
193 means that retailers shall provide ramps, platforms, aisles and
194 pathway widths, turnaround areas, and parking spaces to the
195 extent these are required for the retailer's premises by the
196 particular jurisdiction where the retailer is located.
197 Accessibility shall be required to only one point of sale of
198 lottery tickets for each lottery retailer location. The
199 requirements of this subsection shall be deemed to have been met
200 if, in lieu of the foregoing, disabled persons can purchase
201 tickets from the retail location by means of a drive-up window,
202 provided the hours of access at the drive-up window are not less
203 than those provided at any other entrance at that lottery
204 retailer location. Inspections for compliance with this
205 subsection shall be performed by those enforcement authorities
206 responsible for enforcement pursuant to s. 553.80 in accordance
207 with procedures established by those authorities. Those
208 enforcement authorities shall provide to the Department of the
209 Lottery a certification of noncompliance for any lottery
210 retailer not meeting such requirements.

211 (14) The secretary may, after filing with the Department of
212 State his or her manual signature certified by the secretary
213 under oath, execute or cause to be executed contracts between



354378

214 the department and retailers by means of engraving, imprinting,
215 stamping, or other facsimile signature.

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

219 (a) The vending machine must:

220 1. Dispense a lottery ticket after a purchaser inserts a
221 coin or currency in the machine.

222 2. Be capable of being electronically deactivated for a
223 period of 5 minutes or more.

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

226 (b) In order to be authorized to use a vending machine to
227 dispense lottery tickets, a retailer must:

228 1. Locate the vending machine in the retailer's direct line
229 of sight to ensure that purchases are only made by persons at
230 least 18 years of age.

231 2. Ensure that at least one employee is on duty when the
232 vending machine is available for use. However, if the retailer
233 has previously violated s. 24.1055, at least two employees must
234 be on duty when the vending machine is available for use.

235 (c) A vending machine that dispenses a lottery ticket may
236 dispense change to a purchaser but may not be used to redeem any
237 type of winning lottery ticket.

238 (d) The vending machine, or any machine or device linked to
239 the vending machine, may not include or make use of video reels
240 or mechanical reels or other video depictions of slot machine or
241 casino game themes or titles for game play. This does not
242 preclude the use of casino game themes or titles on such tickets



354378

243 or signage or advertising displays on the machines.

244 (16) The department, a retailer operating from one or more
245 locations, or a vendor approved by the department may use a
246 point-of-sale terminal to facilitate the sale of a lottery
247 ticket or game.

248 (a) A point-of-sale terminal must:

249 1. Dispense a paper lottery ticket with numbers selected by
250 the purchaser or selected randomly by the machine after the
251 purchaser uses a credit card, debit card, or other similar
252 charge card issued by a bank, savings association, credit union,
253 or charge card company or issued by a retailer pursuant to part
254 II of chapter 520 for payment;

255 2. Recognize a valid driver license or use another age
256 verification process approved by the department to ensure that
257 only persons at least 18 years of age may purchase a lottery
258 ticket or game;

259 3. Process a lottery transaction through a platform that is
260 certified or otherwise approved by the department; and

261 4. Be in compliance with all applicable department
262 requirements related to the lottery ticket or game offered for
263 sale.

264 (b) A point-of-sale terminal does not reveal winning
265 numbers, which are selected at a subsequent time and different
266 location through a drawing by the state lottery.

267 (c) A point-of-sale terminal, or any machine or device
268 linked to the point-of-sale terminal, may not include or make
269 use of video reels or mechanical reels or other video depictions
270 of slot machine or casino game themes or titles for game play.
271 This does not preclude the use of casino game themes or titles



272 on a lottery ticket or game or on the signage or advertising
273 displays on the terminal.

274 (d) A point-of-sale terminal may not be used to redeem a
275 winning ticket.

276
277 Delete line 2331

278 and insert:
279 United States Department of the Interior, and except as
280 otherwise expressly provided and except for this section, which
281 shall take effect upon becoming a law, this act shall

282
283 ===== T I T L E A M E N D M E N T =====

284 And the title is amended as follows:

285 Delete lines 2 - 204

286 and insert:
287 An act relating to gaming; amending s. 24.103, F.S.;
288 defining the term "point-of-sale terminal"; amending
289 s. 24.105, F.S.; authorizing the Department of the
290 Lottery to create a program that authorizes certain
291 persons to purchase a ticket or game at a point-of-
292 sale terminal; authorizing the department to adopt
293 rules; providing requirements for the rules; amending
294 s. 24.112, F.S.; authorizing the department, a
295 retailer operating from one or more locations, or a
296 vendor approved by the department to use a point-of-
297 sale terminal to sell a lottery ticket or game;
298 requiring a point-of-sale terminal to perform certain
299 functions; specifying that the point-of-sale terminal
300 may not reveal winning numbers; prohibiting a point-



354378

301 of-sale terminal from including or making use of video
302 reels or mechanical reels or other video depictions of
303 slot machine or casino game themes or titles for game
304 play; prohibiting a point-of-sale terminal from being
305 used to redeem a winning ticket; amending s. 550.002,
306 F.S.; amending s. 550.002, F.S.; redefining the term
307 "full schedule of live racing or games"; defining the
308 term "video race system"; amending s. 550.01215, F.S.;
309 revising provisions for applications for pari-mutuel
310 operating licenses; authorizing a greyhound racing
311 permitholder to specify certain intentions on its
312 application; authorizing a greyhound racing
313 permitholder to receive an operating license to
314 conduct pari-mutuel wagering activities at another
315 permitholder's greyhound racing facility; limiting the
316 number of pari-mutuel wagering operating licenses that
317 may be issued each year; authorizing the Division of
318 Pari-mutuel Wagering of the Department of Business and
319 Professional Regulation to approve changes in racing
320 dates for greyhound racing permitholders under certain
321 circumstances; providing requirements for licensure of
322 certain jai alai permitholders; deleting a provision
323 for conversion of certain converted permits to jai
324 alai permits; amending s. 550.0251, F.S.; requiring
325 the division to annually report to the Governor and
326 the Legislature; specifying requirements for the
327 content of the report; amending s. 550.054, F.S.;
328 requiring the division to revoke a pari-mutuel
329 wagering operating permit under certain circumstances;



354378

330 prohibiting issuance or approval of new pari-mutuel
331 permits after a specified date; authorizing a
332 permitholder to apply to the division to place a
333 permit in inactive status; revising provisions that
334 prohibit transfer or assignment of a pari-mutuel
335 permit; prohibiting transfer or assignment of a pari-
336 mutuel permit or license under certain conditions;
337 prohibiting relocation of a pari-mutuel facility,
338 cardroom, or slot machine facility or conversion of
339 pari-mutuel permits to a different class; providing
340 for approval of the relocation of such permits;
341 deleting provisions for certain converted permits;
342 repealing s. 550.0555, F.S., relating to the
343 relocation of greyhound racing permits; repealing s.
344 550.0745, F.S., relating to the conversion of pari-
345 mutuel permits to summer jai alai permits; amending s.
346 550.0951, F.S.; deleting provisions for certain
347 credits for a greyhound racing permitholder; revising
348 the tax on handle for live greyhound racing and
349 intertrack wagering if the host track is a greyhound
350 racing track; requiring a tax on handle and fees for
351 video race licensees; specifying how fees may be used
352 by the department and the Department of Law
353 Enforcement; amending s. 550.09511, F.S.; conforming a
354 cross-reference; amending s. 550.09512, F.S.;
355 providing for the revocation of certain harness horse
356 racing permits; specifying that a revoked permit may
357 not be reissued; amending s. 550.09514, F.S.; deleting
358 certain provisions that prohibit tax on handle until a



354378

359 specified amount of tax savings have resulted;
360 revising purse requirements of a greyhound racing
361 permitholder that conducts live racing; amending s.
362 550.09515, F.S.; providing for the revocation of
363 certain thoroughbred racing permits; specifying that a
364 revoked permit may not be reissued; amending s.
365 550.1625, F.S.; deleting the requirement that a
366 greyhound racing permitholder pay the breaks tax;
367 repealing s. 550.1647, F.S., relating to unclaimed
368 tickets and breaks held by greyhound racing
369 permitholders; amending s. 550.1648, F.S.; revising
370 requirements for a greyhound racing permitholder to
371 provide a greyhound adoption booth at its facility;
372 requiring sterilization of greyhounds before adoption;
373 authorizing the fee for such sterilization to be
374 included in the cost of adoption; defining the term
375 "bona fide organization that promotes or encourages
376 the adoption of greyhounds"; creating s. 550.1751,
377 F.S.; defining terms; authorizing certain pari-mutuel
378 permitholders to enter into agreements to sell and
379 transfer permits to certain bidders; requiring that
380 such permits be surrendered to the division and
381 voided; creating s. 550.1752, F.S.; creating the
382 permit reduction program within the division;
383 providing a purpose for the program; providing for
384 funding for the program up to a specified maximum
385 amount; requiring the division to purchase pari-mutuel
386 permits from permitholders under certain
387 circumstances; requiring that permitholders who wish



354378

388 to make an offer to sell meet certain requirements;
389 requiring the division to adopt a certain form by
390 rule; requiring that the division establish the value
391 of a pari-mutuel permit based on the valuation of one
392 or more independent appraisers; authorizing the
393 division to establish a value that is lower than the
394 valuation of the independent appraiser; requiring the
395 division to accept the offers that best utilize
396 available funding; requiring the division to cancel
397 permits that it purchases through the program;
398 providing for expiration of the program; creating s.
399 550.2416, F.S.; requiring injuries to racing
400 greyhounds to be reported within a certain timeframe
401 on a form adopted by the division; requiring such form
402 to be completed and signed under oath or affirmation
403 by certain individuals; providing penalties;
404 specifying information that must be included in the
405 form; requiring the division to maintain the forms as
406 public records for a specified time; specifying
407 disciplinary action that may be taken against a
408 licensee of the Department of Business and
409 Professional Regulation who fails to report an injury
410 or who makes false statements on an injury form;
411 exempting injuries to certain animals from reporting
412 requirements; requiring the division to adopt rules;
413 amending s. 550.26165, F.S.; conforming a cross-
414 reference; amending s. 550.3345, F.S.; revising
415 provisions for a permit previously converted from a
416 quarter horse racing permit to a limited thoroughbred



354378

417 racing permit; amending s. 550.3551, F.S.; deleting a
418 provision that limits the number of out-of-state races
419 on which wagers are accepted by a greyhound racing
420 permitholder; deleting a provision prohibiting a
421 permitholder from conducting fewer than eight live
422 races or games under certain circumstances; deleting a
423 provision requiring certain permitholders to conduct a
424 full schedule of live racing to receive certain full-
425 card broadcasts and accept certain wagers; amending s.
426 550.375, F.S.; conforming a cross-reference; amending
427 s. 550.615, F.S.; revising provisions relating to
428 intertrack wagering; amending s. 550.6305, F.S.;
429 revising provisions requiring that certain simulcast
430 signals be made available to certain permitholders;
431 authorizing certain permitholders of a converted
432 permit to accept wagers on certain rebroadcasts;
433 amending s. 550.6308, F.S.; revising the number of
434 days of thoroughbred horse sales required to obtain a
435 limited intertrack wagering license; revising
436 provisions for such wagering; amending s. 551.101,
437 F.S.; revising provisions that authorize slot machine
438 gaming at certain facilities; amending s. 551.102,
439 F.S.; revising definitions of the terms "eligible
440 facility" and "slot machine licensee" for purposes of
441 provisions relating to slot machines; amending s.
442 551.104, F.S.; providing that an application to
443 conduct slot machine gaming may be authorized only if
444 it would not trigger a reduction in revenue-sharing
445 under the Gaming Compact between the Seminole Tribe of



354378

446 Florida and the State of Florida; specifying the
447 facilities that may be authorized by the division to
448 conduct slot machine gaming; exempting certain
449 greyhound racing and thoroughbred racing permitholders
450 from a requirement that they conduct a full schedule
451 of live racing as a condition of maintaining authority
452 to conduct slot machine gaming; requiring licensees to
453 withhold a specified percentage of net revenue from
454 specified sources; creating s. 551.1041, F.S.;

455 authorizing an additional slot machine license to be
456 issued to a pari-mutuel permitholder for a facility in
457 Miami-Dade County and in Palm Beach County, subject to
458 approval by a majority of voters in a referendum in
459 each county; providing for the conduct of the
460 referendum; establishing the process for the issuance
461 of new licenses; requiring that applications be made
462 by sealed bids to the division, subject to specified
463 prequalification procedures and requirements;
464 specifying a minimum bid amount; authorizing a
465 specified number of slot machines and video race
466 terminals for play; providing requirements for slot
467 machines and video race terminals; defining the term
468 "video race terminal"; providing requirements for the
469 use of net revenue withheld from certain slot machine
470 licensees; creating s. 551.1042, F.S.; prohibiting the
471 transfer of a slot machine license or relocation of a
472 slot machine facility; amending s. 551.106, F.S.;

473 deleting obsolete provisions; revising the tax rate on
474 slot machine revenues under certain conditions;



354378

475 amending s. 551.114, F.S.; decreasing the number of
476 slot machines available for play at certain
477 facilities; requiring that specified permit holders'
478 designated slot machine gaming areas be located within
479 the eligible facility for which the initial license
480 was issued; amending s. 551.116, F.S.; deleting a
481 restriction on the number of hours that slot machine
482 gaming areas may be open; amending s. 551.121, F.S.;
483 authorizing the serving of complimentary or reduced-
484 cost alcoholic beverages to a person playing a slot
485 machine; authorizing the location of an automated
486 teller machine or similar device within designated
487 slot machine gaming areas; amending s. 849.086, F.S.;
488 amending legislative intent; revising definitions;
489 authorizing certain thoroughbred racing permit holders
490 to operate a cardroom at a specified slot facility
491 under certain circumstances; deleting certain license
492 renewal requirements; authorizing certain cardroom
493 operators to offer certain designated player games;
494 providing limits on wagers for such games; providing
495 playing requirements for designated players; requiring
496 each seated player to be afforded the temporary
497 opportunity to be the designated player; prohibiting
498 certain persons from being designated players;
499 providing requirements for designated player games;
500 providing that the division may only approve cardroom
501 operators to conduct certain designated player games;
502 requiring certain harness horse racing permit holders
503 to use at least 50 percent of monthly net proceeds in



354378

504 specified ways; conforming provisions to changes made
505 by the act; directing the division to revoke certain
506 pari-mutuel permits; specifying that the revoked
507 permits may not be reissued; providing for
508 nonseverability; providing a contingent effective
509 date.