



730458

RI.RI.03279

1 Proposed Committee Substitute by the Committee on Regulated
2 Industries

3 A bill to be entitled

4 An act relating to the state lottery; amending s. 24.105,
5 F.S.; expanding the player-activated machines that may be
6 utilized; amending s. 24.111, F.S.; adding Limited Liability
7 Companies to the list of potential vendors the department must
8 investigate; providing that no contract for a major procurement
9 shall be entered if a managing member has been convicted of a
10 felony; removing duplicative language; amending s. 24.113, F.S.;
11 removing a provision limiting the percentage of the same type of
12 minority retailer that the Department of the Lottery may
13 contract with to 35 percent; amending s. 24.114, providing a
14 penalty for failure to remit funds as required; providing an
15 effective date.

16
17 Be It Enacted by the Legislature of the State of Florida:

18
19 Section 1. Paragraph (a) of subsection (9) of section
20 24.105, Florida Statutes, is amended to read:

21 24.105 Powers and duties of department.—The department
22 shall:

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

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

26 1. No name of an elected official shall appear on the
27 ticket or play slip of any lottery game or on any prize or on
28 any instrument used for the payment of prizes, unless such prize



730458

RI.RI.03279

29 is in the form of a state warrant.

30 2. No coins or currency shall be dispensed from any
31 electronic computer terminal or device used in any lottery game.

32 3. Other than as provided in subparagraph 4., no terminal
33 or device may be used for any lottery game which may be operated
34 solely by the player without the assistance of the retailer.

35 4. The only player-activated machine which may be utilized
36 is a machine which dispenses instant lottery game tickets
37 following the insertion of a coin or currency by a ticket
38 purchaser. To be authorized a machine must: be under the
39 supervision and within the direct line of sight of the lottery
40 retailer to ensure that the machine is monitored and only
41 operated by persons at least 18 years of age; be capable of
42 being electronically deactivated by the retailer to prohibit use
43 by persons less than 18 years of age through the use of a
44 lockout device that maintains the machine's deactivation for a
45 period of no less than 5 minutes; and be designed to prevent its
46 use or conversion for use in any manner other than the
47 dispensing of instant lottery tickets or revealing the results
48 of the instant lottery tickets. Authorized machines may reveal
49 the results of the instant lottery ticket in an entertainment
50 format which may include video displays or other similar
51 technologies. Authorized machines may dispense change to players
52 purchasing tickets but may not be utilized for paying the
53 holders of winning tickets of any kind except that authorized
54 machines may permit the player to redeem a winning ticket to
55 purchase more instant lottery tickets. At least one clerk must
56 be on duty at the lottery retailer while the machine is in
57 operation. However, at least two clerks must be on duty at any



730458

RI.RI.03279

58 lottery location which has violated s. 24.1055.

59 Section 2. Paragraph (a) of subsection (2) and subsections
60 (4) and (6) of section 24.111, Florida Statutes, are amended to
61 read:

62 24.111 Vendors; disclosure and contract requirements.-

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

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

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

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

84 3. If the vendor is an association, the members, officers,
85 and directors.

86 4. If the vendor is a partnership or joint venture, all of



730458

RI.RI.03279

87 the general partners, limited partners, or joint venturers.

88 5. If the vendor is a limited liability company, each
89 officer, director, member, manager, and managing member of the
90 company.

91
92 If the vendor subcontracts any substantial portion of the work
93 to be performed to a subcontractor, the vendor shall disclose
94 all of the information required by this paragraph for the
95 subcontractor as if the subcontractor were itself a vendor.

96
97 The department shall not contract with any vendor who fails to
98 make the disclosures required by this subsection, and any
99 contract with a vendor who has failed to make the required
100 disclosures shall be unenforceable. Any contract with any vendor
101 who does not comply with such requirements for periodically
102 updating such disclosures during the tenure of such contract as
103 may be specified in such contract may be terminated by the
104 department. This subsection shall be construed broadly and
105 liberally to achieve the ends of full disclosure of all
106 information necessary to allow for a full and complete
107 evaluation by the department of the competence, integrity,
108 background, and character of vendors for major procurements.

109 (4) No contract for a major procurement with any vendor
110 shall be entered into if that vendor, or any of the vendor's
111 officers, directors, trustees, partners, managing members, or
112 joint venturers whose names and addresses are required to be
113 disclosed pursuant to paragraph (2) (a), has been convicted of,
114 or entered a plea of guilty or nolo contendere to, a felony
115 committed in the preceding 10 years, regardless of adjudication,



730458

RI.RI.03279

116 unless the department determines that:

117 (a) The vendor or such individual has been pardoned or the
118 vendor's or such individual's civil rights have been restored;

119 (b) Subsequent to such conviction or entry of plea the
120 vendor or such individual has engaged in the kind of law-abiding
121 commerce and good citizenship that would reflect well upon the
122 integrity of the lottery; or

123 (c) If the vendor is not an individual, such vendor has
124 terminated its relationship with the individual whose actions
125 directly contributed to the vendor's conviction or entry of
126 plea.

127 (6) ~~Every contract in excess of \$25,000 entered into by the~~
128 ~~department pursuant to this section shall contain a provision~~
129 ~~for payment of liquidated damages to the department for any~~
130 ~~breach of contract by the vendor.~~ The department may require a
131 liquidated damages provision in any contract if the department
132 deems it necessary to protect the state's financial interest.

133 Section 3. Subsection (1) of section 24.113, Florida
134 Statutes, is amended to read:

135 24.113 Minority participation.—

136 (1) It is the intent of the Legislature that the department
137 encourage participation by minority business enterprises as
138 defined in s. 288.703. Accordingly, 15 percent of the retailers
139 shall be minority business enterprises as defined in s.

140 ~~288.703(2); however, no more than 35 percent of such retailers~~
141 ~~shall be owned by the same type of minority person, as defined~~
142 ~~in s. 288.703(3).~~ The department is encouraged to meet the
143 minority business enterprise procurement goals set forth in s.
144 287.09451 in the procurement of commodities, contractual



730458

RI.RI.03279

145 services, construction, and architectural and engineering
146 services. This section shall not preclude or prohibit a minority
147 person from competing for any other retailing or vending
148 agreement awarded by the department.

149 Section 4. Section 24.114, Florida Statutes, is amended to
150 read:

151 24.114 Bank deposits and control of lottery transactions.-

152 (1) (a) All moneys received by each retailer from the
153 operation of the state lottery, including, but not limited to,
154 all ticket sales, interest, gifts, and donations, less the
155 amount retained as compensation for the sale of the tickets and
156 the amount paid out as prizes, shall be remitted to the
157 department or deposited in a qualified public depository, as
158 defined in s. 280.02, as directed by the department.

159 (b) The department shall have the responsibility for all
160 administrative functions related to the receipt of funds. The
161 department may ~~also~~ require:

162 1. Each retailer to file with the department reports of the
163 retailer's receipts and transactions in the sale of lottery
164 tickets in such form and containing such information as the
165 department may require.

166 2. ~~The department may require~~ Any person, including a
167 qualified public depository, to perform any function, activity,
168 or service in connection with the operation of the lottery as it
169 may deem advisable pursuant to this act and rules of the
170 department, and such functions, activities, or services shall
171 constitute lawful functions, activities, and services of such
172 person.

173 3. ~~(2) The department may require~~ Retailers to establish



730458

RI.RI.03279

174 separate electronic funds transfer accounts for the purpose of
175 receiving moneys from ticket sales, making payments to the
176 department, and receiving payments from the department.

177 (2)~~(3)~~ Each retailer is liable to the department for any
178 and all tickets accepted or generated by any employee or
179 representative of that retailer, and the tickets shall be deemed
180 to have been purchased by the retailer unless returned to the
181 department within the time and in the manner prescribed by the
182 department.

183 (3) All moneys received by retailers from the sale of
184 lottery tickets, less the amount retained as compensation for
185 the sale of tickets and the amount paid out as prizes by the
186 retailer, shall be held in trust prior to delivery to the
187 department or electronic transfer to the Operating Trust Fund.

188 (4) A retailer who fails to remit funds to the department
189 as required commits a felony of the third degree, punishable as
190 provided in s. 775.082, s. 775.083 or s. 775.084.

191 Section 5. This act shall take effect July 1, 2010.