

By the Committee on Regulated Industries; and Senator Jones

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2 A bill to be entitled
3 An act relating to the state lottery; amending s.
4 24.105, F.S.; authorizing the use of player-activated
5 machines that have additional functionality; amending
6 s. 24.111, F.S.; adding limited liability companies to
7 the list of potential vendors that the Department of
8 the Lottery must investigate; prohibiting the
9 department from entering into a contract for a major
10 procurement if a managing member of the vendor has
11 been convicted of a felony; removing a duplicative
12 provision; amending s. 24.113, F.S.; removing a
13 provision limiting the percentage of the same type of
14 minority retailer that the Department of the Lottery
15 may contract with to 35 percent; amending s. 24.114,
16 F.S.; providing a penalty for failure by a retailer to
17 remit funds as required; providing an effective date.
18

19 Be It Enacted by the Legislature of the State of Florida:
20

21 Section 1. Paragraph (a) of subsection (9) of section
22 24.105, Florida Statutes, is amended to read:

23 24.105 Powers and duties of department.—The department
24 shall:

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

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

28 1. No name of an elected official shall appear on the
29 ticket or play slip of any lottery game or on any prize or on

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30 any instrument used for the payment of prizes, unless such prize
31 is in the form of a state warrant.

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

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

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

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59 operation. However, at least two clerks must be on duty at any
60 lottery location which has violated s. 24.1055.

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

64 24.111 Vendors; disclosure and contract requirements.—

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

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

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

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

86 3. If the vendor is an association, the members, officers,
87 and directors.

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

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

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

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

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

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117 committed in the preceding 10 years, regardless of adjudication,
118 unless the department determines that:

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

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

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

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

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

137 24.113 Minority participation.—

138 (1) It is the intent of the Legislature that the department
139 encourage participation by minority business enterprises as
140 defined in s. 288.703. Accordingly, 15 percent of the retailers
141 shall be minority business enterprises as defined in s.
142 ~~288.703(2); however, no more than 35 percent of such retailers~~
143 ~~shall be owned by the same type of minority person, as defined~~
144 ~~in s. 288.703(3).~~ The department is encouraged to meet the
145 minority business enterprise procurement goals set forth in s.

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146 287.09451 in the procurement of commodities, contractual
147 services, construction, and architectural and engineering
148 services. This section shall not preclude or prohibit a minority
149 person from competing for any other retailing or vending
150 agreement awarded by the department.

151 Section 4. Section 24.114, Florida Statutes, is amended to
152 read:

153 24.114 Bank deposits and control of lottery transactions.-

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

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

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

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

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175 3.~~(2)~~ ~~The department may require~~ Retailers to establish
176 separate electronic funds transfer accounts for the purpose of
177 receiving moneys from ticket sales, making payments to the
178 department, and receiving payments from the department.

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

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

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

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