A bill to be entitled

An act relating to point-of-sale terminals; amending s. 24.103, F.S.; defining the term "point-of-sale terminal"; amending s. 24.105, F.S.; authorizing the Department of the Lottery to create a program that authorizes certain persons to purchase a ticket or game at a point-of-sale terminal; authorizing the department to adopt rules; amending s. 24.112, F.S.; authorizing the department, a retailer operating from one or more locations, or a vendor approved by the department to use a point-of-sale terminal to sell a lottery ticket or game; requiring a point-of-sale terminal to perform certain functions; specifying that the point-of-sale terminal may not reveal winning numbers; prohibiting a point-of-sale terminal from including video depictions of slot machine or casino game themes or titles for game play; prohibiting a point-of-sale terminal from being used to redeem a winning ticket; providing an effective date.

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

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Section 1. Section 24.103, Florida Statutes, is reordered and amended to read:

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

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

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(6)  $\frac{(2)}{(2)}$  "Secretary" means the secretary of the department.

(3) "Person" means any individual, firm, association, joint adventure, partnership, estate, trust, syndicate, fiduciary, corporation, or other group or combination and includes an shall include any agency or political subdivision of the state.

- (4) "Point-of-sale terminal" means an electronic device used to process credit card, debit card, or other similar charge card payments at retail locations which is supported by networks that enable verification, payment, transfer of funds, and logging of transactions.
- (2)-(4) "Major procurement" means a procurement for a contract for the printing of tickets for use in any lottery game, consultation services for the startup of the lottery, any goods or services involving the official recording for lottery game play purposes of a player's selections in any lottery game involving player selections, any goods or services involving the receiving of a player's selection directly from a player in any lottery game involving player selections, any goods or services involving the drawing, determination, or generation of winners in any lottery game, the security report services provided for in this act, or any goods and services relating to marketing and promotion which exceed a value of \$25,000.
- (5) "Retailer" means a person who sells lottery tickets on behalf of the department pursuant to a contract.
  - (7) "Vendor" means a person who provides or proposes to

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provide goods or services to the department, but does not include an employee of the department, a retailer, or a state agency.

- Section 2. Present subsections (19) and (20) of section 24.105, Florida Statutes, are redesignated as subsections (20) and (21), respectively, and a new subsection (19) is added to that section, to read:
- 24.105 Powers and duties of department.—The department shall:
- (19) Have the authority to create a program that allows a person who is 18 years of age or older to purchase a lottery ticket or game at a point-of-sale terminal. The department may adopt rules to administer the program.
- Section 3. Section 24.112, Florida Statutes, is amended to read:
- 24.112 Retailers of lottery tickets; authorization of vending machines; point-of-sale terminals to dispense lottery tickets.
- (1) The department shall promulgate rules specifying the terms and conditions for contracting with retailers who will best serve the public interest and promote the sale of lottery tickets.
- (2) In the selection of retailers, the department shall consider factors such as financial responsibility, integrity, reputation, accessibility of the place of business or activity to the public, security of the premises, the sufficiency of

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

- (3) The department  $\underline{may}$  shall not contract with any person as a retailer who:
  - (a) Is less than 18 years of age.

- (b) Is engaged exclusively in the business of selling lottery tickets; however, this paragraph  $\underline{may}$  shall not preclude the department from selling lottery tickets.
- (c) Has been convicted of, or entered a plea of guilty or nolo contendere to, a felony committed in the preceding 10 years, regardless of adjudication, unless the department determines that:
- 1. The person has been pardoned or the person's civil rights have been restored;
- 2. Subsequent to such conviction or entry of plea the person has engaged in the kind of law-abiding commerce and good citizenship that would reflect well upon the integrity of the

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105 lottery; or

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- 3. If the person is a firm, association, partnership, trust, corporation, or other entity, the person has terminated its relationship with the individual whose actions directly contributed to the person's conviction or entry of plea.
- (4) The department shall issue a certificate of authority to each person with whom it contracts as a retailer for purposes of display pursuant to subsection (6). The issuance of the certificate <u>may shall</u> not confer upon the retailer any right apart from that specifically granted in the contract. The authority to act as a retailer <u>may shall</u> not be assignable or transferable.
- (5)  $\underline{A}$  Any contract executed by the department pursuant to this section shall specify the reasons for any suspension or termination of the contract by the department, including, but not limited to:
- (a) Commission of a violation of this act or rule adopted pursuant thereto.
- (b) Failure to accurately account for lottery tickets, revenues, or prizes as required by the department.
  - (c) Commission of any fraud, deceit, or misrepresentation.
  - (d) Insufficient sale of tickets.
- (e) Conduct prejudicial to public confidence in the lottery.
- (f) Any material change in any matter considered by the department in executing the contract with the retailer.

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(6) Each Every retailer shall post and keep conspicuously displayed in a location on the premises accessible to the public its certificate of authority and, with respect to each game, a statement supplied by the department of the estimated odds of winning  $\underline{a}$  some prize for the game.

- (7)  $\underline{A}$  No contract with a retailer  $\underline{may}$  not  $\underline{shall}$  authorize the sale of lottery tickets at more than one location, and a retailer may sell lottery tickets only at the location stated on the certificate of authority.
- (8) With respect to any retailer whose rental payments for premises are contractually computed, in whole or in part, on the basis of a percentage of retail sales, and where such computation of retail sales is not explicitly defined to include sales of tickets in a state-operated lottery, the compensation received by the retailer from the department shall be deemed to be the amount of the retail sale for the purposes of such contractual compensation.
- (9) (a) The department may require <u>each</u> every retailer to post an appropriate bond as determined by the department, using an insurance company acceptable to the department, in an amount not to exceed twice the average lottery ticket sales of the retailer for the period within which the retailer is required to remit lottery funds to the department. For the first 90 days of sales of a new retailer, the amount of the bond may not exceed twice the average estimated lottery ticket sales for the period within which the retailer is required to remit lottery funds to

the department. This paragraph  $\underline{\text{does}}$   $\underline{\text{shall}}$  not apply to lottery tickets that  $\underline{\text{which}}$  are prepaid by the retailer.

- (b) In lieu of such bond, the department may purchase blanket bonds covering all or selected retailers or may allow a retailer to deposit and maintain with the Chief Financial Officer securities that are interest bearing or accruing and that, with the exception of those specified in subparagraphs 1. and 2., are rated in one of the four highest classifications by an established nationally recognized investment rating service. Securities eligible under this paragraph shall be limited to:
- 1. Certificates of deposit issued by solvent banks or savings associations organized and existing under the laws of this state or under the laws of the United States and having their principal place of business in this state.
- 2. United States bonds, notes, and bills for which the full faith and credit of the government of the United States is pledged for the payment of principal and interest.
- 3. General obligation bonds and notes of any political subdivision of the state.
- 4. Corporate bonds of any corporation that is not an affiliate or subsidiary of the depositor.

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

(10) Each Every contract entered into by the department

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pursuant to this section shall contain a provision for payment of liquidated damages to the department for any breach of contract by the retailer.

- (11) The department shall establish procedures by which each retailer shall account for all tickets sold by the retailer and account for all funds received by the retailer from such sales. The contract with each retailer shall include provisions relating to the sale of tickets, payment of moneys to the department, reports, service charges, and interest and penalties, if necessary, as the department shall deem appropriate.
- (12) No Payment by a retailer to the department for tickets <u>may not shall</u> be in cash. All such payments shall be in the form of a check, bank draft, electronic fund transfer, or other financial instrument authorized by the secretary.
- disabled persons on habitable grade levels. This subsection does not apply to a retail location that which has an entrance door threshold more than 12 inches above ground level. As used in herein and for purposes of this subsection only, the term "accessibility for disabled persons on habitable grade levels" means that retailers shall provide ramps, platforms, aisles and pathway widths, turnaround areas, and parking spaces to the extent these are required for the retailer's premises by the particular jurisdiction where the retailer is located.

  Accessibility shall be required to only one point of sale of

lottery tickets for each lottery retailer location. The requirements of this subsection shall be deemed to have been met if, in lieu of the foregoing, disabled persons can purchase tickets from the retail location by means of a drive-up window, provided the hours of access at the drive-up window are not less than those provided at any other entrance at that lottery retailer location. Inspections for compliance with this subsection shall be performed by those enforcement authorities responsible for enforcement pursuant to s. 553.80 in accordance with procedures established by those authorities. Those enforcement authorities shall provide to the Department of the Lottery a certification of noncompliance for any lottery retailer not meeting such requirements.

- (14) The secretary may, after filing with the Department of State his or her manual signature certified by the secretary under oath, execute or cause to be executed contracts between the department and retailers by means of engraving, imprinting, stamping, or other facsimile signature.
- (15) A vending machine may be used to dispense online lottery tickets, instant lottery tickets, or both online and instant lottery tickets.
  - (a) The vending machine must:

- 1. Dispense a lottery ticket after a purchaser inserts a coin or currency in the machine.
- 2. Be capable of being electronically deactivated for a period of 5 minutes or more.

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

- (b) In order to be authorized to use a vending machine to dispense lottery tickets, a retailer must:
- 1. Locate the vending machine in the retailer's direct line of sight to ensure that purchases are only made by persons at least 18 years of age.
- 2. Ensure that at least one employee is on duty when the vending machine is available for use. However, if the retailer has previously violated s. 24.1055, at least two employees must be on duty when the vending machine is available for use.
- (c) A vending machine that dispenses a lottery ticket may dispense change to a purchaser but may not be used to redeem any type of winning lottery ticket.
- (d) The vending machine, or any machine or device linked to the vending machine, may not include or make use of video reels or mechanical reels or other video depictions of slot machine or casino game themes or titles for game play. This does not preclude the use of casino game themes or titles on such tickets or signage or advertising displays on the machines.
- (16) The department, a retailer operating from one or more locations, or a vendor approved by the department may use a point-of-sale terminal to facilitate the sale of a lottery ticket or game.
  - (a) A point-of-sale terminal must:
  - 1. Dispense a paper lottery ticket with numbers selected

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by the purchaser or selected randomly by the machine after the purchaser uses a credit card, debit card, charge card, or other similar card issued by a bank, savings association, credit union, or charge card company, or issued by a retailer pursuant to part II of chapter 520 for payment;

- 2. Recognize a valid driver license or use another age verification process approved by the department to ensure that only persons at least 18 years of age may purchase a lottery ticket or game;
- 3. Process a lottery transaction through a platform that is certified or otherwise approved by the department; and
- 4. Be in compliance with all applicable department requirements related to the lottery ticket or game offered for sale.
- (b) A point-of-sale terminal does not reveal winning numbers, which are selected at a subsequent time and different location through a drawing by the Florida Lottery.
- (c) A point-of-sale terminal, or any machine or device linked to the point-of-sale terminal, may not include or make use of video reels, mechanical reels, or other video depictions of slot machine or casino game themes or titles for game play. This does not preclude the use of casino game themes or titles on a lottery ticket or game or on the signage or advertising displays on the terminal.
- (d) A point-of-sale terminal may not be used to redeem a winning ticket.

HB 415

287 Section 4. This act shall take effect upon becoming a law.

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CODING: Words stricken are deletions; words underlined are additions.