



MEMORANDUM

DATE: February 5, 2013
TO: Sanibel City Council
THROUGH: Judie Zimomra, City Manager
FROM: Crystal Mansell, Executive Asst. to City Manager
SUBJECT: Coin-operated Devices – Background Information

City Council directed staff to provide background information on the issuance of Business Tax Receipts (BTR) for coin-operated devices. This memo provides information on the current number of Sanibel BTR's issued for coin-operated devices, revenue and expenditures associated with processing BTR's, current Sanibel Code, and other local municipal regulations pertaining to coin-operated devices.

Business Tax Receipts – Processing

The Finance Department issues Business Tax Receipts for coin-operated devices under the following two categories:

1. Gaming vending machines
2. Services and Laundry vending machines

**NOTE: Automated Teller Machines (ATM's) are considered banking services and are not considered vending machines for this purpose.*

Annually, the Finance Department processes approximately 98 BTR's for coin-operated devices. In some instances, multiple BTR's are issued to one business. Businesses self-report coin-operated devices, additional businesses may have unlicensed coin-operated devices.

Typically, there are three steps involved for issuing a renewal; mailing of first renewal statement, receipt of payment, and mailing of BTR to business. In the event payment is not received by renewal date, a delinquency notice is generated and mailed to business owners.

The labor costs (staff time in preparing renewals, receipting and posting of payment, mailing BTR, preparing and mailing delinquency notices) and materials cost (carbon forms, postage, and envelopes) is estimated to cost approximately \$175, annually. Additionally, for all **new** applications for a coin-operated device BTR, the Planning Department must review the application for zoning purposes and conduct a field inspection of the devices. The approximate cost for Planning Department review and approval is \$30 for each new application.

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For fiscal year 2013, the City of Sanibel has issued BTR's for the following coin-operated devices:

SERVICES AND LAUNDRY VENDING MACHINES		
Business Name	No. of Devices	Total Amount Paid
Bailey's General Store	3	\$51.87
Casa Ybel Resort	2	\$34.60
Castaways	4	\$69.20
Chocolate Expressions	1	\$19.03
GW Services, Inc.	2	\$34.60
Gulf Breeze Cottages	2	\$34.60
Island Inn Company	7	\$120.30
Jerry's Enterprises, Inc.	3	\$51.90
Mitchell's Sandcastles	2	\$34.60
Palm Court Center	4	\$69.20
Sanibel Shores Condo Assoc.	2	\$34.60
Sanibel Siesta Condo Assoc.	1	\$17.30
Sanibel Sunset Beach Resort	6	\$103.80
Santiva General Store	1	\$17.30
Sea Shells of Sanibel	9	\$155.70
Signal Inn Condo Assoc.	2	\$34.60
Song of the Sea	5	\$86.50
Sundial East Condo Assoc.	12	\$207.60
Washco Laundry Equipment	22	\$380.60
West Wind Inn	9	\$155.70
TOTAL		\$1,713.60

PENDING: The Planning Department is currently reviewing an application from Sundial Resort for 4 service vending machines, which will generate an additional \$69.20 in BTR revenue, if approved.

GAMING VENDING MACHINES		
Business Name	No. of Devices	Total Amount Paid
Doc Ford's Rum Bar & Grille	5	\$86.50
The Great White Grill	2	\$34.60
Redbox Automated Retail	1	\$17.30
TOTAL		\$138.40

PENDING: The Planning Department is currently reviewing an application from Sundial Resort for 12 gaming vending machines, which will generate an additional \$207.60 in BTR revenue, if approved.

Current Sanibel Code

Sec. 62-43. - Coin-operated devices.

- (a) Defined. The term "coin-operated device" is hereby defined to be each machine, apparatus or device which, upon the insertion of money greater in denomination than one cent or trade token, ticket or slug, operates or may be operated as:
- (1) A game or a contest of skill or an amusement which contains no payoff device for the return of a trade token, ticket or slug or which makes no provision whatever for the return of money to the player.
 - (2) A game or contest of skill or amusement wherein or whereby the player initiates, employs or directs any force generated by the machine, apparatus or device.
 - (3) A machine vending recorded music or a period of radio, television or movie entertainment.
 - (4) A machine where the only incentive to operate is to procure or receive merchandise or services of reasonable value.
- (b) The owner of each coin-operated device or the owner of the properly taxed business on the premises of which such coin-operated device is located and operated shall pay the local business tax set forth in **section 62-45** prior to any such coin-operated device being put in operation; and all coin-operated devices in operation without a valid local business tax having been paid thereon will be confiscated by the local business tax inspector and held until the local business tax due thereon plus 25 percent penalty and moving and storage charges are paid. No local business tax shall be required for any coin-operated device where the entire proceeds of such device are used for charitable purposes as recognized by the Internal Revenue Code, nor for telephone or newspaper dispensers; or restroom facilities; or soap and detergent dispensers.
(Ord. No. 06-019, § 1, 12-19-2006)

Sec. 62-45. - Tax schedule.

The following listed tax shall be paid by the below listed businesses. The four-digit number to the left of each item is its code number for data processing purposes and is not to be considered part of the substance of the item.

COIN-OPERATED DEVICES

- 7911 Coin-operated game, amusement device, music device, radio, television or movie device, each\$17.30
- 7917 Coin-operated laundry washers and dryers, vending device, service vending device, each device ...\$17.30

OTHER LOCAL & STATE LEGISLATION ON COIN-OPERATED DEVICES

FORT MYERS

- The City of Fort Myers levies a Business Tax Receipt (Sec. 82-183 and Sec. 82-205) on all coin-operated devices at the following rates:
 - \$10 For each machine or device for vending of packaged snacks, drinks and other related items when machine requires \$0.05 to \$0.74, each
 - \$20 For each machine or device for vending of packaged snacks, drinks and other related items when machine requires \$0.75 and more to operate, each

*NOTE: The City of Fort Myers requires an inspection for each device located outside to make certain it is handicap accessible and is connected to a GFI outlet that is waterproof, for public safety purposes.

CAPE CORAL

- Sec. 11-16 (187) COIN-OPERATED VENDING AND OTHER MACHINES

The business taxes hereunder shall be paid by the operator of the business in which the machines in use are located. The business taxes set forth in this subsection are levied on the use of the machines herein described and not in respect of the goods or services dispensed by them. In addition to the business tax herein levied the Code Compliance Division shall provide a decal or tag without charge and the decal or tag shall be affixed by the owner or operator to the front of the machine or device prior to the use thereof. It shall be unlawful to use or permit the use of a coin-operated machine unless the decal or tag is affixed to the machine.

- (a.) Distributor, owner and/or lessor of amusement devices and/or machine engaged in the business of placing amusement devices, music machines and the like, for consideration and/or share of money collected by a coin-operated machine or otherwise in the place of business other than the owner or operator of the machine \$77
- (b.) When the machines are activated with a coin or coins of more than \$0.20 (except coin operated cigarette machines) \$15.40
- (c.) Music machines (jukeboxes), coin-operated, each \$77
- (d.) Pinball-type machines, coin-operated, each \$77
- (e.) Any other type of amusement machine or device, other than gambling machines or devices, not enumerated in this schedule, for the operation of which a coin is required \$55
- (f.) Laundry, cleaning and drying machines, coin operated:
 - i. First ten machines, each \$6.60

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- ii. Next 20 machines, each \$4.40
 - iii. Each additional machine \$2.20
- (g.) Postage vending machines when operated for profit, each \$2.20

BONITA SPRINGS

- No regulations for coin-operated devices

LEE COUNTY (UNINCORPORATED)

- No regulations for coin-operated devices

STATE

- Florida Department of Business and Professional Regulations governs coin-operated devices which dispense prepared food products
- Florida Department of Revenue oversees collection of taxes on items sold through coin-operated devices