Journal of the Senate

FIRST REGULAR SESSION

SIXTY-NINTH DAY - MONDAY, MAY 22, 2023

The Senate met pursuant to adjournment.

Senator Bernskoetter in the Chair.

RESOLUTIONS

On behalf of Senator Rizzo, Senator Bernskoetter offered Senate Resolution No. 521, regarding the death of Vickie Kay Carullo, Kansas City, which was adopted.

On behalf of Senator Carter, Senator Bernskoetter offered Senate Resolution No. 522, regarding Police Chief Sloan Rowland, Joplin, which was adopted.

On behalf of Senator O'Laughlin, Senator Bernskoetter offered Senate Resolution No. 523, regarding the One Hundredth Birthday of Donna McMichael Ayers, Macon, which was adopted.

On behalf of Senator Fitzwater, Senator Bernskoetter offered Senate Resolution No. 524, regarding South Callaway Bulldog Pride band, which was adopted.

On behalf of Senator Mosley, Senator Bernskoetter offered Senate Resolution No. 525, regarding A Red Circle and North County Community Nexus, which was adopted.

MESSAGES FROM THE HOUSE

The following messages were received from the House of Representatives through its Chief Clerk:

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and adopted the Conference Committee Report on **HCS** for **SS** for **SCS** for **SBs 45** and **90**, as amended, and has taken up and passed **CCS** for **HCS** for **SS** for **SCS** for **SBs 45** and **90**.

Emergency Clause Adopted.

Bill ordered enrolled.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and adopted **SS** for **HB 202** and has taken up and passed **SS** for **HB 202**.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and adopted **SS** for **HCS** for **HBs 115** and **99** and has taken up and passed **SS** for **HCS** for **HBs 115** and **99**.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and adopted the Conference Committee Report on **SB 20** with HA 1, HA 2, HA 3, HA 4, HA 5, HA 6, HA 7, HA 8, HA 9, and HA 10, and has taken up and passed **CCS** for **SB 20**.

Bill ordered enrolled.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and adopted the Conference Committee Report on **HCS** for **SB 109**, as amended, and has taken up and passed **CCS** for **HCS** for **SB 109**.

Bill ordered enrolled.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **SJR 26**.

Joint resolution ordered enrolled.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **SB 63**.

Bill ordered enrolled.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **SS** for **SB 227**.

Bill ordered enrolled.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **SS** for **SCS** for **SB 133** with HA 1 and HA 2.

Emergency Clause Defeated.

HOUSE AMENDMENT NO. 1

Amend Senate Substitute for Senate Committee Substitute for Senate Bill No. 133, Page 1, In the Title, Lines 2-3, by deleting the phrase "an income tax exemption for certain dependents" and inserting in lieu thereof the phrase "taxation"; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 2

Amend Senate Substitute for Senate Committee Substitute for Senate Bill No. 133, Page 1, Section A, Line 3, by inserting after all of said section and line the following:

"137.115. 1. All other laws to the contrary notwithstanding, the assessor or the assessor's deputies in all counties of this state including the City of St. Louis shall annually make a list of all real and tangible personal property taxable in the assessor's city, county, town or district. Except as otherwise provided in subsection 3 of this section and section 137.078, **for all calendar years ending on or before December**

31, 2023, the assessor shall annually assess all personal property at thirty-three and one-third percent of its true value in money as of January first of each calendar year. **Except as otherwise provided in subsection 3 of this section and section 137.078, for all calendar years beginning on or after January 1, 2024, the assessor shall annually assess all personal property at thirty-two and eight-tenths percent of its true value in money as of January first of each calendar year.** The assessor shall annually assess all real property, including any new construction and improvements to real property, and possessory interests in real property at the percent of its true value in money set in subsection 5 of this section. The true value in money of any possessory interest in real property in subclass (3), where such real property is on or lies within the ultimate airport boundary as shown by a federal airport layout plan, as defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139 certification and owned by a political subdivision, shall be the otherwise applicable true value in money of any such possessory interest in real property, less the total dollar amount of costs paid by a party, other than the political subdivision, towards any new construction or improvements on such real property completed after January 1, 2008, and which are included in the above-mentioned possessory interest, regardless of the year in which such costs were incurred or whether such costs were considered in any prior year. The assessor shall annually assess all real property in the following manner: new assessed values shall be determined as of January first of each odd-numbered year and shall be entered in the assessor's books; those same assessed values shall apply in the following even-numbered year, except for new construction and property improvements which shall be valued as though they had been completed as of January first of the preceding odd-numbered year. The assessor may call at the office, place of doing business, or residence of each person required by this chapter to list property, and require the person to make a correct statement of all taxable tangible personal property owned by the person or under his or her care, charge or management, taxable in the county. On or before January first of each even-numbered year, the assessor shall prepare and submit a two-year assessment maintenance plan to the county governing body and the state tax commission for their respective approval or modification. The county governing body shall approve and forward such plan or its alternative to the plan to the state tax commission by February first. If the county governing body fails to forward the plan or its alternative to the plan to the state tax commission by February first, the assessor's plan shall be considered approved by the county governing body. If the state tax commission fails to approve a plan and if the state tax commission and the assessor and the governing body of the county involved are unable to resolve the differences, in order to receive state cost-share funds outlined in section 137.750, the county or the assessor shall petition the administrative hearing commission, by May first, to decide all matters in dispute regarding the assessment maintenance plan. Upon agreement of the parties, the matter may be stayed while the parties proceed with mediation or arbitration upon terms agreed to by the parties. The final decision of the administrative hearing commission shall be subject to judicial review in the circuit court of the county involved. In the event a valuation of subclass (1) real property within any county with a charter form of government, or within a city not within a county, is made by a computer, computer-assisted method or a computer program, the burden of proof, supported by clear, convincing and cogent evidence to sustain such valuation, shall be on the assessor at any hearing or appeal. In any such county, unless the assessor proves otherwise, there shall be a presumption that the assessment was made by a computer, computer-assisted method or a computer program. Such evidence shall include, but shall not be limited to, the following:

(1) The findings of the assessor based on an appraisal of the property by generally accepted appraisal techniques; and

(2) The purchase prices from sales of at least three comparable properties and the address or location thereof. As used in this subdivision, the word "comparable" means that:

(a) Such sale was closed at a date relevant to the property valuation; and

(b) Such properties are not more than one mile from the site of the disputed property, except where no similar properties exist within one mile of the disputed property, the nearest comparable property shall be used. Such property shall be within five hundred square feet in size of the disputed property, and resemble the disputed property in age, floor plan, number of rooms, and other relevant characteristics.

2. Assessors in each county of this state and the City of St. Louis may send personal property assessment forms through the mail.

3. The following items of personal property shall each constitute separate subclasses of tangible personal property and shall be assessed and valued for the purposes of taxation at the following percentages of their true value in money:

(1) Grain and other agricultural crops in an unmanufactured condition, one-half of one percent;

(2) Livestock, twelve percent;

(3) Farm machinery, twelve percent;

(4) Motor vehicles which are eligible for registration as and are registered as historic motor vehicles pursuant to section 301.131 and aircraft which are at least twenty-five years old and which are used solely for noncommercial purposes and are operated less than two hundred hours per year or aircraft that are home built from a kit, five percent;

(5) Poultry, twelve percent; and

(6) Tools and equipment used for pollution control and tools and equipment used in retooling for the purpose of introducing new product lines or used for making improvements to existing products by any company which is located in a state enterprise zone and which is identified by any standard industrial classification number cited in subdivision (7) of section 135.200, twenty-five percent.

4. The person listing the property shall enter a true and correct statement of the property, in a printed blank prepared for that purpose. The statement, after being filled out, shall be signed and either affirmed or sworn to as provided in section 137.155. The list shall then be delivered to the assessor.

5. (1) All subclasses of real property, as such subclasses are established in Section 4(b) of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed at the following percentages of true value:

(a) For real property in subclass (1), nineteen percent;

(b) For real property in subclass (2), twelve percent; and

(c) For real property in subclass (3), thirty-two percent.

(2) A taxpayer may apply to the county assessor, or, if not located within a county, then the assessor of such city, for the reclassification of such taxpayer's real property if the use or purpose of such real property is changed after such property is assessed under the provisions of this chapter. If the assessor determines that such property shall be reclassified, he or she shall determine the assessment under this

subsection based on the percentage of the tax year that such property was classified in each subclassification.

6. Manufactured homes, as defined in section 700.010, which are actually used as dwelling units shall be assessed at the same percentage of true value as residential real property for the purpose of taxation. The percentage of assessment of true value for such manufactured homes shall be the same as for residential real property. If the county collector cannot identify or find the manufactured home when attempting to attach the manufactured home for payment of taxes owed by the manufactured home owner, the county collector may request the county commission to have the manufactured home removed from the tax books, and such request shall be granted within thirty days after the request is made; however, the removal from the tax books does not remove the tax lien on the manufactured home if it is later identified or found. For purposes of this section, a manufactured home located in a manufactured home rental park, rental community or on real estate not owned by the manufactured home owner shall be considered personal property. For purposes of this section, a manufactured home located on real estate owned by the manufactured home owner may be considered real property.

7. Each manufactured home assessed shall be considered a parcel for the purpose of reimbursement pursuant to section 137.750, unless the manufactured home is deemed to be real estate as defined in subsection 7 of section 442.015 and assessed as a realty improvement to the existing real estate parcel.

8. Any amount of tax due and owing based on the assessment of a manufactured home shall be included on the personal property tax statement of the manufactured home owner unless the manufactured home is deemed to be real estate as defined in subsection 7 of section 442.015, in which case the amount of tax due and owing on the assessment of the manufactured home as a realty improvement to the existing real estate parcel shall be included on the real property tax statement of the real estate owner.

9. **(1) To determine the true value in money for motor vehicles,** the assessor of each county and each city not within a county shall use the **[**trade-in value published in the October issue of the National Automobile Dealers' Association Official Used Car Guide, or its successor publication, as the recommended guide of information for determining the true value of motor vehicles described in such publication. The assessor shall not use a value that is greater than the average trade-in value in determining the true value of the motor vehicle without performing a physical inspection of the motor vehicle. For vehicles two years old or newer from a vehicle's model year, the assessor may use a value other than average without performing a physical inspection of the motor vehicle. In the absence of a listing for a particular motor vehicle in such publication, the assessor shall use such information or publications which in the assessor's judgment will fairly estimate the true value in money of the motor vehicle.**] trade-in value published in the current or any of the three immediately previous years' October issue of a nationally recognized automotive trade publication selected by the state tax commission. The assessor shall not use a value that is greater than the average trade-in value for such motor vehicle in determining the true value of the motor vehicle without performing a physical inspection of the motor vehicle. For vehicles two years old or newer from a vehicle's model year, the assessor may use a value other than the average without performing a physical inspection of the motor vehicle. In the absence of a listing for a particular motor vehicle in such publication, the assessor shall use such information or publications which, in the assessor's judgment, will fairly estimate the true value in money of the motor vehicle.**

(2) For all tax years beginning on or after January 1, 2025, the assessor shall apply the following depreciation schedule to the trade-in value of the motor vehicle as determined pursuant to subdivision (1) of this subsection:

Years since manufacture	**Percent Depreciation**
Current	**15**
1	**25**
2	**32.5**
3	**39.3**
4	**45.3**
5	**50.8**
6	**55.7**
7	**60.1**
8	**64.1**
9	**67.7**
10	**71**
11	**75.2**
12	**79.2**
13	**83.2**
14	**87.2**
15	**90**
Greater than 15	**99.9% or a minimum value of $300, whichever is higher**

Notwithstanding the provisions of this subdivision to the contrary, in no case shall the assessed value of a motor vehicle, as depreciated pursuant to this subdivision, be less than three hundred dollars.

(3) To implement the provisions of this subsection without large variations from the method in effect prior to January 1, 2024, the assessor shall assume that the last valuation tables used prior to October 1, 2024, are fair valuations and these valuations shall be depreciated from the table provided in subdivision (2) of this subsection until the end of their useful life. The state tax commission shall secure an annual appropriation from the general assembly for the publication used pursuant to subdivision (1) of this subsection. The state tax commission or the state of Missouri shall be the registered user of the publication with rights to allow all assessors access to the publication. The publication shall be available to all assessors by December fifteenth of each year.

10. Before the assessor may increase the assessed valuation of any parcel of subclass (1) real property by more than fifteen percent since the last assessment, excluding increases due to new construction or improvements, the assessor shall conduct a physical inspection of such property.

11. If a physical inspection is required, pursuant to subsection 10 of this section, the assessor shall notify the property owner of that fact in writing and shall provide the owner clear written notice of the owner's rights relating to the physical inspection. If a physical inspection is required, the property owner may request that an interior inspection be performed during the physical inspection. The owner shall have no less than thirty days to notify the assessor of a request for an interior physical inspection.

12. A physical inspection, as required by subsection 10 of this section, shall include, but not be limited to, an on-site personal observation and review of all exterior portions of the land and any buildings and improvements to which the inspector has or may reasonably and lawfully gain external access, and shall include an observation and review of the interior of any buildings or improvements on the property upon the timely request of the owner pursuant to subsection 11 of this section. Mere observation of the property via a drive-by inspection or the like shall not be considered sufficient to constitute a physical inspection as required by this section.

13. A county or city collector may accept credit cards as proper form of payment of outstanding property tax or license due. No county or city collector may charge surcharge for payment by credit card which exceeds the fee or surcharge charged by the credit card bank, processor, or issuer for its service. A county or city collector may accept payment by electronic transfers of funds in payment of any tax or license and charge the person making such payment a fee equal to the fee charged the county by the bank, processor, or issuer of such electronic payment.

14. Any county or city not within a county in this state may, by an affirmative vote of the governing body of such county, opt out of the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the next year of the general reassessment, prior to January first of any year. No county or city not within a county shall exercise this opt-out provision after implementing the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by house committee substitute for senate substitute for senate committee

substitute for senate bill no. 960, ninety-second general assembly, second regular session, in a year of general reassessment. For the purposes of applying the provisions of this subsection, a political subdivision contained within two or more counties where at least one of such counties has opted out and at least one of such counties has not opted out shall calculate a single tax rate as in effect prior to the enactment of house bill no. 1150 of the ninety-first general assembly, second regular session. A governing body of a city not within a county or a county that has opted out under the provisions of this subsection may choose to implement the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session, and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the next year of general reassessment, by an affirmative vote of the governing body prior to December thirty-first of any year.

15. The governing body of any city of the third classification with more than twenty-six thousand three hundred but fewer than twenty-six thousand seven hundred inhabitants located in any county that has exercised its authority to opt out under subsection 14 of this section may levy separate and differing tax rates for real and personal property only if such city bills and collects its own property taxes or satisfies the entire cost of the billing and collection of such separate and differing tax rates. Such separate and differing rates shall not exceed such city's tax rate ceiling.

16. Any portion of real property that is available as reserve for strip, surface, or coal mining for minerals for purposes of excavation for future use or sale to others that has not been bonded and permitted under chapter 444 shall be assessed based upon how the real property is currently being used. Any information provided to a county assessor, state tax commission, state agency, or political subdivision responsible for the administration of tax policies shall, in the performance of its duties, make available all books, records, and information requested, except such books, records, and information as are by law declared confidential in nature, including individually identifiable information regarding a specific taxpayer or taxpayer's mine property. For purposes of this subsection, "mine property" shall mean all real property that is in use or readily available as a reserve for strip, surface, or coal mining for minerals for purposes of excavation for current or future use or sale to others that has been bonded and permitted under chapter 444.

137.1050. 1. For the purposes of this section, the following terms shall mean:

(1) "Eligible credit amount", the difference between an eligible taxpayer's real property tax liability for the taxes levied by a county on such taxpayer's homestead for a given tax year, minus the real property tax liability for the taxes levied by a county on such homestead in the year that the taxpayer became an eligible taxpayer;

(2) "Eligible taxpayer", a Missouri resident who:

(a) Is eligible for Social Security retirement benefits;

(b) Is an owner of record of a homestead or has a legal or equitable interest in such property as evidenced by a written instrument; and

(c) Is liable for the payment of real property taxes on such homestead;

(3) "Homestead", real property actually occupied by an eligible taxpayer as the primary residence. An eligible taxpayer shall not claim more than one primary residence.

(4) "Real property tax liability", the amount of revenue derived from the tax imposed on an eligible taxpayer's homestead that is:

(a) Collected by the county in which such eligible taxpayer's homestead is located; and

(b) Available under state law for appropriation by such county in such county's annual budget for county expenditures.

2. Any county authorized to impose a property tax may grant a property tax credit to eligible taxpayers residing in such county in an amount equal to the taxpayer's eligible credit amount, provided that:

(1) Such county adopts an ordinance authorizing such credit; or

(2) (a) A petition in support of a referendum on such a credit is signed by at least five percent of the registered voters of such county voting in the last gubernatorial election and the petition is delivered to the governing body of the county, which shall subsequently hold a referendum on such credit.

(b) The ballot of submission for the question submitted to the voters pursuant to paragraph (a) of this subdivision shall be in substantially the following form:

Shall the County of _____ exempt senior citizens from increases in the property tax liability due on such seniors citizens' primary residence?

☐ YES ☐ NO

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the credit shall be in effect.

3. A county granting an exemption pursuant to this section shall apply such exemption when calculating the eligible taxpayer's property tax liability for the tax year. The amount of the credit shall be noted on the statement of tax due sent to the eligible taxpayer by the county collector.

4. For the purposes of calculating property tax levies pursuant to section 137.073, the total amount of credits authorized by a county pursuant to this section shall be considered tax revenue, as such term is defined in section 137.073, actually received by the county.

135.1310. 1. This section shall be known and may be cited as the "Child Care Contribution Tax Credit Act".

2. For purposes of this section, the following terms shall mean:

(1) "Child care", the same as defined in section 210.201;

(2) "Child care desert", a census tract that has a poverty rate of at least twenty percent or a median family income of less than eighty percent of the statewide average and where at least five hundred people or thirty-three percent of the population are located at least one-half mile away from a child care provider in urbanized areas or at least ten miles away in rural areas;

(3) "Child care provider", a child care provider as defined in section 210.201 that is licensed under section 210.221, or that is unlicensed and that is registered with the department of elementary and secondary education;

(4) "Contribution", an eligible donation of cash, stock, bonds or other marketable securities, or real property;

(5) "Department", the Missouri department of economic development;

(6) "Person related to the taxpayer", an individual connected with the taxpayer by blood, adoption, or marriage, or an individual, corporation, partnership, limited liability company, trust, or association controlled by, or under the control of, the taxpayer directly, or through an individual, corporation, limited liability company, partnership, trust, or association under the control of the taxpayer;

(7) "Rural area", a town or community within the state that is not within a metropolitan statistical area and has a population of six thousand or fewer inhabitants as determined by the last preceding federal decennial census or any unincorporated area not within a metropolitan statistical area;

(8) "State tax liability", in the case of a business taxpayer, any liability incurred by such taxpayer under chapter 143 and chapter 148, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265 and related provisions, and in the case of an individual taxpayer, any liability incurred by such taxpayer under chapter 143;

(9) "Tax credit", a credit against the taxpayer's state tax liability;

(10) "Taxpayer", a corporation as defined in section 143.441 or 143.471, any charitable organization that is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, or individuals or partnerships subject to the state income tax imposed by the provisions of chapter 143.

3. For all tax years beginning on or after January 1, 2023, a taxpayer may claim the tax credit authorized in this section against the taxpayer's state tax liability for the tax year in which a verified contribution was made in an amount up to seventy-five percent of the verified contribution to a child care provider. Any tax credit issued shall not be less than one hundred dollars and shall not exceed two hundred thousand dollars per tax year.

(1) The child care provider receiving a contribution shall, within sixty days of the date it received the contribution, issue the taxpayer a contribution verification and file a copy of the contribution verification with the department. The contribution verification shall be in the form established by the department and shall include the taxpayer's name, taxpayer's state or federal tax identification number or last four digits of the taxpayer's Social Security number, amount of tax credit, amount of contribution, legal name and address of the child care provider receiving the tax credit, the child

care provider's federal employer identification number, the child care provider's departmental vendor number or license number, and the date the child care provider received the contribution from the taxpayer. The contribution verification shall include a signed attestation stating the child care provider will use the contribution solely to promote child care.

(2) The failure of the child care provider to timely issue the contribution verification to the taxpayer or file it with the department shall entitle the taxpayer to a refund of the contribution from the child care provider.

4. A donation is eligible when:

(1) The donation is used directly by a child care provider to promote child care for children twelve years of age or younger, including by acquiring or improving child care facilities, equipment, or services, or improving staff salaries, staff training, or the quality of child care;

(2) The donation is made to a child care provider in which the taxpayer or a person related to the taxpayer does not have a direct financial interest; and

(3) The donation is not made in exchange for care of a child or children in the case of an individual taxpayer that is not an employer making a contribution on behalf of its employees.

5. A child care provider that uses the contribution for an ineligible purpose shall repay to the department the value of the tax credit for the contribution amount used for an ineligible purpose.

6. The tax credits authorized by this section shall not be refundable and shall not be transferred, sold, or otherwise conveyed. Any amount of approved tax credits that a taxpayer is prohibited by this subsection from using for the tax year in which the credit is first claimed may be carried back to the taxpayer's immediately prior tax year and carried forward to the taxpayer's subsequent tax year for up to five succeeding tax years.

7. Notwithstanding any provision of subsection 6 of this section to the contrary, a taxpayer that is exempt, under 26 U.S.C. Section 501(c)(3), and any amendments thereto, from all or part of the federal income tax shall be eligible for a refund of its tax credit issued under this section, without regard to whether it has incurred any state tax liability. Such exempt taxpayer may claim a refund of the tax credit on its tax return required to be filed under the provisions of chapter 143, exclusive of the return for the withholding of tax under sections 143.191 to 143.265. If such exempt taxpayer is not required to file a tax return under the provisions of chapter 143, the exempt taxpayer may claim a refund of the tax credit on a refund claim form prescribed by the department of revenue. The department of revenue shall prescribe such forms, instructions, and rules as it deems appropriate to carry out the provisions of this subsection.

8. (1) The cumulative amount of tax credits authorized under this section shall not exceed twenty million dollars for each calendar year. The department shall approve tax credit applications on a first-come, first-served basis until the cumulative tax credit authorization limit is reached for the calendar year. A taxpayer shall apply to the department for the child care contribution tax credit by submitting a copy of the contribution verification provided by a child care provider to such taxpayer. Upon receipt of the contribution verification, the department shall issue a tax credit certificate to the applicant.

(2) If the maximum amount of tax credits allowed in any calendar year as provided under subdivision (1) of this subsection is authorized, the maximum amount of tax credits allowed under subdivision (1) of this subsection shall be increased by fifteen percent, provided that all such increases in the allowable amount of tax credits shall be reserved for contributions made to child care providers located in a child care desert. The director of the department shall publish such adjusted amount.

9. The tax credits allowed under this section shall be considered a domestic and social tax credit under subdivision (5) of subsection 2 of section 135.800.

10. All action and communication undertaken or required under this section shall be exempt from section 105.1500.

11. The department may promulgate rules to implement and administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly under chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2023, shall be invalid and void.

12. Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset December 31, 2029, unless reauthorized by an act of the general assembly;

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset six years after the effective date of the reauthorization of this section;

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset; and

(4) The provisions of this subsection shall not be construed to limit or in any way impair the department of revenue's ability to redeem tax credits authorized on or before the date the program authorized under this section expires, or a taxpayer's ability to redeem such tax credits.

135.1325. 1. This section shall be known and may be cited as the "Employer Provided Child Care Assistance Tax Credit Act".

2. For purposes of this section, the following terms shall mean:

(1) "Child care desert", a census tract that has a poverty rate of at least twenty percent or a median family income of less than eighty percent of the statewide average and where at least five hundred people or thirty-three percent of the population are located at least one-half mile away from a child care provider in urbanized areas or at least ten miles away in rural areas;

(2) "Child care facility", a child care facility as defined in section 210.201 that is licensed under section 210.221, or that is unlicensed and that is registered with the department of elementary and secondary education;

(3) "Department", the Missouri department of economic development;

(4) "Employer matching contribution", a contribution made by the taxpayer to a cafeteria plan, as that term is used in 26 U.S.C. Section 125, of an employee of the taxpayer, that matches a dollar amount or percentage of the employee's contribution to the cafeteria plan, but this term does not include the amount of any salary reduction or other compensation foregone by the employee in connection with the cafeteria plan;

(5) "Qualified child care expenditure", an amount paid of reasonable costs incurred that meet any of the following:

(a) To acquire, construct, rehabilitate, or expand property that will be, or is, used as part of a child care facility that is either operated by the taxpayer or contracted with by the taxpayer and which does not constitute part of the principal residence of the taxpayer or any employee of the taxpayer;

(b) For the operating costs of a child care facility of the taxpayer, including costs relating to the training of employees, scholarship programs, and for compensation to employees;

(c) Under a contract with a child care facility to provide child care services to employees of the taxpayer; or

(d) As an employer matching contribution, but only to the extent such employer matching contribution is restricted by the taxpayer solely for the taxpayer's employee to obtain child care services at a child care facility and is used for that purpose during the tax year;

(6) "Rural area", a town or community within the state that is not within a metropolitan statistical area and has a population of six thousand or fewer inhabitants as determined by the last preceding federal decennial census or any unincorporated area not within a metropolitan statistical area;

(7) "State tax liability", in the case of a business taxpayer, any liability incurred by such taxpayer under the provisions of chapter 143 and chapter 148, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265 and related provisions, and in the case of an individual taxpayer, any liability incurred by such taxpayer under the provisions of chapter 143;

(8) "Tax credit", a credit against the taxpayer's state tax liability;

(9) "Taxpayer", a corporation as defined in section 143.441 or 143.471, any charitable organization that is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, or individuals or partnerships subject to the state income tax imposed by the provisions of chapter 143.

3. For all tax years beginning on or after January 1, 2023, a taxpayer may claim a tax credit authorized in this section in an amount equal to thirty percent of the qualified child care expenditures paid or incurred with respect to a child care facility. The maximum amount of any tax credit issued under this section shall not exceed two hundred thousand dollars per taxpayer per tax year.

4. A facility shall not be treated as a child care facility with respect to a taxpayer unless the following conditions have been met:

(1) Enrollment in the facility is open to employees of the taxpayer during the tax year; and

(2) If the facility is the principal business of the taxpayer, at least thirty percent of the enrollees of such facility are dependents of employees of the taxpayer.

5. The tax credits authorized by this section shall not be refundable or transferable. The tax credits shall not be sold, assigned, or otherwise conveyed. Any amount of approved tax credits that a taxpayer is prohibited by this subsection from using for the tax year in which the credit is first claimed may be carried back to the taxpayer's immediately prior tax year and carried forward to the taxpayer's subsequent tax year for up to five succeeding tax years.

6. Notwithstanding any provision of subsection 5 of this section to the contrary, a taxpayer that is exempt, under 26 U.S.C. Section 501(c)(3), and any amendments thereto, from all or part of the federal income tax shall be eligible for a refund of its tax credit issued under this section, without regard to whether it has incurred any state tax liability. Such exempt taxpayer may claim a refund of the tax credit on its tax return required to be filed under the provisions of chapter 143, exclusive of the return for the withholding of tax under sections 143.191 to 143.265. If such exempt taxpayer is not required to file a tax return under the provisions of chapter 143, the exempt taxpayer may claim a refund of the tax credit on a refund claim form prescribed by the department of revenue. The department of revenue shall prescribe such forms, instructions, and rules as it deems appropriate to carry out the provisions of this subsection.

7. (1) The cumulative amount of tax credits authorized under this section shall not exceed twenty million dollars for each calendar year. The department shall approve tax credit applications on a first-come, first-served basis until the cumulative tax credit authorization limit is reached for the calendar year.

(2) If the maximum amount of tax credits allowed in any calendar year as provided under subdivision (1) of this subsection is authorized, the maximum amount of tax credits allowed under subdivision (1) of this subsection shall be increased by fifteen percent, provided that all such increases in the allowable amount of tax credits shall be reserved for qualified child care expenditures for child care facilities located in a child care desert. The director of the department shall publish such adjusted amount.

8. A taxpayer who has claimed a tax credit under this section shall notify the department within sixty days of any cessation of operation, change in ownership, or agreement to assume recapture liability as such terms are defined by 26 U.S.C. Section 45F, in the form and manner prescribed by department rule or instruction. If there is a cessation of operation or change in ownership relating to a child care facility, the taxpayer shall repay the department the applicable recapture percentage

of the credit allowed under this section, but this recapture amount shall be limited to the tax credit allowed under this section. The recapture amount shall be considered a tax liability arising on the tax payment due date for the tax year in which the cessation of operation, change in ownership, or agreement to assume recapture liability occurred and shall be assessed and collected under the same provisions that apply to a tax liability under chapter 143 or chapter 148.

9. The tax credit allowed under this section shall be considered a domestic and social tax credit under subdivision (5) of subsection 2 of section 135.800.

10. All action and communication undertaken or required under this section shall be exempt from section 105.1500.

11. The department may promulgate rules to implement and administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly under chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2023, shall be invalid and void.

12. Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset December 31, 2029, unless reauthorized by an act of the general assembly;

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset six years after the effective date of the reauthorization of this section;

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset; and

(4) The provisions of this subsection shall not be construed to limit or in any way impair the department of revenue's ability to redeem tax credits authorized on or before the date the program authorized under this section expires, or a taxpayer's ability to redeem such tax credits.

135.1350. 1. This section shall be known and may be cited as the "Child Care Providers Tax Credit Act".

2. For purposes of this section, the following terms shall mean:

(1) "Capital expenditures", expenses incurred by a child care provider, during the tax year for which a tax credit is claimed under this section, for the construction, renovation, or rehabilitation of a child care facility to the extent necessary to operate a child care facility and comply with applicable child care facility regulations promulgated by the department of elementary and secondary education;

(2) "Child care desert", a census tract that has a poverty rate of at least twenty percent or a median family income of less than eighty percent of the statewide average and where at least five

hundred people or thirty-three percent of the population are located at least one-half mile away from a child care provider in urbanized areas or at least ten miles away in rural areas;

(3) "Child care facility", a child care facility as defined in section 210.201 that is licensed under section 210.221, or that is unlicensed and that is registered with the department of elementary and secondary education;

(4) "Child care provider", a child care provider as defined in section 210.201 that is licensed under section 210.221, or that is unlicensed and that is registered with the department of elementary and secondary education;

(5) "Department", the department of elementary and secondary education;

(6) "Eligible employer withholding tax", the total amount of tax that the child care provider was required, under section 143.191, to deduct and withhold from the wages it paid to employees during the tax year for which the child care provider is claiming a tax credit under this section, to the extent actually paid;

(7) "Employee", an employee, as that term is used in subsection 2 of section 143.191, of a child care provider who worked for the child care provider for an average of at least ten hours per week for at least a three-month period during the tax year for which a tax credit is claimed under this section and who is not an immediate family member of the child care provider;

(8) "Rural area", a town or community within the state that is not within a metropolitan statistical area and has a population of six thousand or fewer inhabitants as determined by the last preceding federal decennial census or any unincorporated area not within a metropolitan statistical area;

(9) "State tax liability", any liability incurred by the taxpayer under the provisions of chapter 143, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265 and related provisions;

(10) "Tax credit", a credit against the taxpayer's state tax liability;

(11) "Taxpayer", a corporation as defined in section 143.441 or 143.471, any charitable organization that is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, or an individual or partnership subject to the state income tax imposed by the provisions of chapter 143.

3. For all tax years beginning on or after January 1, 2024, a child care provider with three or more employees may claim a tax credit authorized in this section in an amount equal to the child care provider's eligible employer withholding tax, and may also claim a tax credit in an amount up to thirty percent of the child care provider's capital expenditures. No tax credit for capital expenditures shall be allowed if the capital expenditures are less than one thousand dollars. The amount of any tax credit issued under this section shall not exceed two hundred thousand dollars per child care provider per tax year.

4. To claim a tax credit authorized under this section, a child care provider shall submit to the department, for preliminary approval, an application for the tax credit on a form provided by the

department and at such times as the department may require. If the child care provider is applying for a tax credit for capital expenditures, the child care provider shall present proof acceptable to the department that the child care provider's capital expenditures satisfy the requirements of subdivision (1) of subsection 2 of this section. Upon final approval of an application, the department shall issue the child care provider a certificate of tax credit.

5. The tax credits authorized by this section shall not be refundable and shall not be transferred, sold, assigned, or otherwise conveyed. Any amount of credit that exceeds the child care provider's state tax liability for the tax year for which the tax credit is issued may be carried back to the child care provider's immediately prior tax year or carried forward to the child care provider's subsequent tax year for up to five succeeding tax years.

6. Notwithstanding any provision of subsection 5 of this section to the contrary, a child care provider that is exempt, under 26 U.S.C. Section 501(c)(3), and any amendments thereto, from all or part of the federal income tax shall be eligible for a refund of its tax credit issued under this section, without regard to whether it has incurred any state tax liability. Such exempt child care provider may claim a refund of the tax credit on its tax return required to be filed under the provisions of chapter 143, exclusive of the return for the withholding of tax under sections 143.191 to 143.265. If such exempt child care provider is not required to file a tax return under the provisions of chapter 143, the exempt child care provider may claim a refund of the tax credit on a refund claim form prescribed by the department of revenue. The department of revenue shall prescribe such forms, instructions, and rules as it deems appropriate to carry out the provisions of this subsection.

7. (1) The cumulative amount of tax credits authorized under this section shall not exceed twenty million dollars for each calendar year. The department shall approve tax credit applications on a first-come, first-served basis until the cumulative tax credit authorization limit is reached for the calendar year.

(2) If the maximum amount of tax credits allowed in any calendar year as provided under subdivision (1) of this subsection is authorized, the maximum amount of tax credits allowed under subdivision (1) of this subsection shall be increased by fifteen percent, provided that all such increases in the allowable amount of tax credits shall be reserved for child care providers located in a child care desert. The director of the department shall publish such adjusted amount.

8. The tax credit authorized by this section shall be considered a domestic and social tax credit under subdivision (5) of subsection 2 of section 135.800.

9. All action and communication undertaken or required with respect to this section shall be exempt from section 105.1500. Notwithstanding section 32.057 or any other tax confidentiality law to the contrary, the department of revenue may disclose tax information to the department for the purpose of the verification of a child care provider's eligible employer withholding tax under this section.

10. The department may promulgate rules and adopt statements of policy, procedures, forms, and guidelines to implement and administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this

section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly under chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2023, shall be invalid and void.

11. Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset December 31, 2029, unless reauthorized by an act of the general assembly;

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset six years after the effective date of the reauthorization of this section;

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset; and

(4) The provisions of this subsection shall not be construed to limit or in any way impair the department of revenue's ability to redeem tax credits authorized on or before the date the program authorized under this section expires, or a taxpayer's ability to redeem such tax credits."; and

Further amend said bill, Page 2, Section 143.161, Line 43, by inserting after all of said section and line the following:

"144.030. 1. There is hereby specifically exempted from the provisions of sections 144.010 to 144.525 and from the computation of the tax levied, assessed or payable pursuant to sections 144.010 to 144.525 such retail sales as may be made in commerce between this state and any other state of the United States, or between this state and any foreign country, and any retail sale which the state of Missouri is prohibited from taxing pursuant to the Constitution or laws of the United States of America, and such retail sales of tangible personal property which the general assembly of the state of Missouri is prohibited from taxing or further taxing by the constitution of this state.

2. There are also specifically exempted from the provisions of the local sales tax law as defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to 144.761 and from the computation of the tax levied, assessed or payable pursuant to the local sales tax law as defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to 144.745:

(1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of such excise tax is refunded pursuant to section 142.824; or upon the sale at retail of fuel to be consumed in manufacturing or creating gas, power, steam, electrical current or in furnishing water to be sold ultimately at retail; or feed for livestock or poultry; or grain to be converted into foodstuffs which are to be sold ultimately in processed form at retail; or seed, limestone or fertilizer which is to be used for seeding, liming or fertilizing crops which when harvested will be sold at retail or will be fed to livestock or poultry to be sold ultimately in processed form at retail; economic poisons registered pursuant to the provisions of the Missouri pesticide registration law, sections 281.220 to 281.310, which are to be used in connection with the growth or production of crops, fruit trees or orchards applied before, during, or after planting, the crop of which

when harvested will be sold at retail or will be converted into foodstuffs which are to be sold ultimately in processed form at retail;

(2) Materials, manufactured goods, machinery and parts which when used in manufacturing, processing, compounding, mining, producing or fabricating become a component part or ingredient of the new personal property resulting from such manufacturing, processing, compounding, mining, producing or fabricating and which new personal property is intended to be sold ultimately for final use or consumption; and materials, including without limitation, gases and manufactured goods, including without limitation slagging materials and firebrick, which are ultimately consumed in the manufacturing process by blending, reacting or interacting with or by becoming, in whole or in part, component parts or ingredients of steel products intended to be sold ultimately for final use or consumption;

(3) Materials, replacement parts and equipment purchased for use directly upon, and for the repair and maintenance or manufacture of, motor vehicles, watercraft, railroad rolling stock or aircraft engaged as common carriers of persons or property;

(4) Replacement machinery, equipment, and parts and the materials and supplies solely required for the installation or construction of such replacement machinery, equipment, and parts, used directly in manufacturing, mining, fabricating or producing a product which is intended to be sold ultimately for final use or consumption; and machinery and equipment, and the materials and supplies required solely for the operation, installation or construction of such machinery and equipment, purchased and used to establish new, or to replace or expand existing, material recovery processing plants in this state. For the purposes of this subdivision, a "material recovery processing plant" means a facility that has as its primary purpose the recovery of materials into a usable product or a different form which is used in producing a new product and shall include a facility or equipment which are used exclusively for the collection of recovered materials for delivery to a material recovery processing plant but shall not include motor vehicles used on highways. For purposes of this section, the terms motor vehicle and highway shall have the same meaning pursuant to section 301.010. For the purposes of this subdivision, subdivision (5) of this subsection, and section 144.054, as well as the definition in subdivision (9) of subsection 1 of section 144.010, the term "product" includes telecommunications services and the term "manufacturing" shall include the production, or production and transmission, of telecommunications services. The preceding sentence does not make a substantive change in the law and is intended to clarify that the term "manufacturing" has included and continues to include the production and transmission of "telecommunications services", as enacted in this subdivision and subdivision (5) of this subsection, as well as the definition in subdivision (9) of subsection 1 of section 144.010. The preceding two sentences reaffirm legislative intent consistent with the interpretation of this subdivision and subdivision (5) of this subsection in Southwestern Bell Tel. Co. v. Director of Revenue, 78 S.W.3d 763 (Mo. banc 2002) and Southwestern Bell Tel. Co. v. Director of Revenue, 182 S.W.3d 226 (Mo. banc 2005), and accordingly abrogates the Missouri supreme court's interpretation of those exemptions in IBM Corporation v. Director of Revenue, 491 S.W.3d 535 (Mo. banc 2016) to the extent inconsistent with this section and Southwestern Bell Tel. Co. v. Director of Revenue, 78 S.W.3d 763 (Mo. banc 2002) and Southwestern Bell Tel. Co. v. Director of Revenue, 182 S.W.3d 226 (Mo. banc 2005). The construction and application of this subdivision as expressed by the Missouri supreme court in DST Systems, Inc. v. Director of Revenue, 43 S.W.3d 799 (Mo. banc 2001); Southwestern Bell Tel. Co. v. Director of Revenue, 78 S.W.3d 763 (Mo. banc 2002); and Southwestern Bell Tel. Co. v. Director of Revenue, 182 S.W.3d 226 (Mo. banc 2005), is hereby affirmed. Material

recovery is not the reuse of materials within a manufacturing process or the use of a product previously recovered. The material recovery processing plant shall qualify under the provisions of this section regardless of ownership of the material being recovered;

(5) Machinery and equipment, and parts and the materials and supplies solely required for the installation or construction of such machinery and equipment, purchased and used to establish new or to expand existing manufacturing, mining or fabricating plants in the state if such machinery and equipment is used directly in manufacturing, mining or fabricating a product which is intended to be sold ultimately for final use or consumption. The construction and application of this subdivision as expressed by the Missouri supreme court in DST Systems, Inc. v. Director of Revenue, 43 S.W.3d 799 (Mo. banc 2001); Southwestern Bell Tel. Co. v. Director of Revenue, 78 S.W.3d 763 (Mo. banc 2002); and Southwestern Bell Tel. Co. v. Director of Revenue, 182 S.W.3d 226 (Mo. banc 2005), is hereby affirmed;

(6) Tangible personal property which is used exclusively in the manufacturing, processing, modification or assembling of products sold to the United States government or to any agency of the United States government;

(7) Animals or poultry used for breeding or feeding purposes, or captive wildlife;

(8) Newsprint, ink, computers, photosensitive paper and film, toner, printing plates and other machinery, equipment, replacement parts and supplies used in producing newspapers published for dissemination of news to the general public;

(9) The rentals of films, records or any type of sound or picture transcriptions for public commercial display;

(10) Pumping machinery and equipment used to propel products delivered by pipelines engaged as common carriers;

(11) Railroad rolling stock for use in transporting persons or property in interstate commerce and motor vehicles licensed for a gross weight of twenty-four thousand pounds or more or trailers used by common carriers, as defined in section 390.020, in the transportation of persons or property;

(12) Electrical energy used in the actual primary manufacture, processing, compounding, mining or producing of a product, or electrical energy used in the actual secondary processing or fabricating of the product, or a material recovery processing plant as defined in subdivision (4) of this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical energy so used exceeds ten percent of the total cost of production, either primary or secondary, exclusive of the cost of electrical energy so used or if the raw materials used in such processing contain at least twenty-five percent recovered materials as defined in section 260.200. There shall be a rebuttable presumption that the raw materials used in the primary manufacture of automobiles contain at least twenty-five percent recovered materials. For purposes of this subdivision, "processing" means any mode of treatment, act or series of acts performed upon materials to transform and reduce them to a different state or thing, including treatment necessary to maintain or preserve such processing by the producer at the production facility;

(13) Anodes which are used or consumed in manufacturing, processing, compounding, mining, producing or fabricating and which have a useful life of less than one year;

(14) Machinery, equipment, appliances and devices purchased or leased and used solely for the purpose of preventing, abating or monitoring air pollution, and materials and supplies solely required for the installation, construction or reconstruction of such machinery, equipment, appliances and devices;

(15) Machinery, equipment, appliances and devices purchased or leased and used solely for the purpose of preventing, abating or monitoring water pollution, and materials and supplies solely required for the installation, construction or reconstruction of such machinery, equipment, appliances and devices;

(16) Tangible personal property purchased by a rural water district;

(17) All amounts paid or charged for admission or participation or other fees paid by or other charges to individuals in or for any place of amusement, entertainment or recreation, games or athletic events, including museums, fairs, zoos and planetariums, owned or operated by a municipality or other political subdivision where all the proceeds derived therefrom benefit the municipality or other political subdivision and do not inure to any private person, firm, or corporation, provided, however, that a municipality or other political subdivision may enter into revenue-sharing agreements with private persons, firms, or corporations providing goods or services, including management services, in or for the place of amusement, entertainment or recreation, games or athletic events, and provided further that nothing in this subdivision shall exempt from tax any amounts retained by any private person, firm, or corporation under such revenue-sharing agreement;

(18) All sales of insulin, and all sales, rentals, repairs, and parts of durable medical equipment, prosthetic devices, and orthopedic devices as defined on January 1, 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of 1965, including the items specified in Section 1862(a)(12) of that act, and also specifically including hearing aids and hearing aid supplies and all sales of drugs which may be legally dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to administer those items, including samples and materials used to manufacture samples which may be dispensed by a practitioner authorized to dispense such samples and all sales or rental of medical oxygen, home respiratory equipment and accessories including parts, and hospital beds and accessories and ambulatory aids including parts, and all sales or rental of manual and powered wheelchairs including parts, and stairway lifts, Braille writers, electronic Braille equipment and, if purchased or rented by or on behalf of a person with one or more physical or mental disabilities to enable them to function more independently, all sales or rental of scooters including parts, and reading machines, electronic print enlargers and magnifiers, electronic alternative and augmentative communication devices, and items used solely to modify motor vehicles to permit the use of such motor vehicles by individuals with disabilities or sales of over-the-counter or nonprescription drugs to individuals with disabilities, and drugs required by the Food and Drug Administration to meet the over-the-counter drug product labeling requirements in 21 CFR 201.66, or its successor, as prescribed by a health care practitioner licensed to prescribe;

(19) All sales made by or to religious and charitable organizations and institutions in their religious, charitable or educational functions and activities and all sales made by or to all elementary and secondary schools operated at public expense in their educational functions and activities;

(20) All sales of aircraft to common carriers for storage or for use in interstate commerce and all sales made by or to not-for-profit civic, social, service or fraternal organizations, including fraternal organizations which have been declared tax-exempt organizations pursuant to Section 501(c)(8) or (10)

of the 1986 Internal Revenue Code, as amended, in their civic or charitable functions and activities and all sales made to eleemosynary and penal institutions and industries of the state, and all sales made to any private not-for-profit institution of higher education not otherwise excluded pursuant to subdivision (19) of this subsection or any institution of higher education supported by public funds, and all sales made to a state relief agency in the exercise of relief functions and activities;

(21) All ticket sales made by benevolent, scientific and educational associations which are formed to foster, encourage, and promote progress and improvement in the science of agriculture and in the raising and breeding of animals, and by nonprofit summer theater organizations if such organizations are exempt from federal tax pursuant to the provisions of the Internal Revenue Code and all admission charges and entry fees to the Missouri state fair or any fair conducted by a county agricultural and mechanical society organized and operated pursuant to sections 262.290 to 262.530;

(22) All sales made to any private not-for-profit elementary or secondary school, all sales of feed additives, medications or vaccines administered to livestock or poultry in the production of food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for food or fiber, all sales of bedding used in the production of livestock or poultry for food or fiber, all sales of propane or natural gas, electricity or diesel fuel used exclusively for drying agricultural crops, natural gas used in the primary manufacture or processing of fuel ethanol as defined in section 142.028, natural gas, propane, and electricity used by an eligible new generation cooperative or an eligible new generation processing entity as defined in section 348.432, and all sales of farm machinery and equipment, other than airplanes, motor vehicles and trailers, and any freight charges on any exempt item. As used in this subdivision, the term "feed additives" means tangible personal property which, when mixed with feed for livestock or poultry, is to be used in the feeding of livestock or poultry. As used in this subdivision, the term "pesticides" includes adjuvants such as crop oils, surfactants, wetting agents and other assorted pesticide carriers used to improve or enhance the effect of a pesticide and the foam used to mark the application of pesticides and herbicides for the production of crops, livestock or poultry. As used in this subdivision, the term "farm machinery and equipment" shall mean:

(a) New or used farm tractors and such other new or used farm machinery and equipment, including utility vehicles used for any agricultural use, and repair or replacement parts thereon and any accessories for and upgrades to such farm machinery and equipment and rotary mowers used for any agricultural purposes. For the purposes of this subdivision, "utility vehicle" shall mean any motorized vehicle manufactured and used exclusively for off-highway use which is more than fifty inches but no more than eighty inches in width, measured from outside of tire rim to outside of tire rim, with an unladen dry weight of three thousand five hundred pounds or less, traveling on four or six wheels;

(b) Supplies and lubricants used exclusively, solely, and directly for producing crops, raising and feeding livestock, fish, poultry, pheasants, chukar, quail, or for producing milk for ultimate sale at retail, including field drain tile; and

(c) One-half of each purchaser's purchase of diesel fuel therefor which is:

a. Used exclusively for agricultural purposes;

b. Used on land owned or leased for the purpose of producing farm products; and

c. Used directly in producing farm products to be sold ultimately in processed form or otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold ultimately in processed form at retail;

(23) Except as otherwise provided in section 144.032, all sales of metered water service, electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil for domestic use and in any city not within a county, all sales of metered or unmetered water service for domestic use:

(a) "Domestic use" means that portion of metered water service, electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil, and in any city not within a county, metered or unmetered water service, which an individual occupant of a residential premises uses for nonbusiness, noncommercial or nonindustrial purposes. Utility service through a single or master meter for residential apartments or condominiums, including service for common areas and facilities and vacant units, shall be deemed to be for domestic use. Each seller shall establish and maintain a system whereby individual purchases are determined as exempt or nonexempt;

(b) Regulated utility sellers shall determine whether individual purchases are exempt or nonexempt based upon the seller's utility service rate classifications as contained in tariffs on file with and approved by the Missouri public service commission. Sales and purchases made pursuant to the rate classification "residential" and sales to and purchases made by or on behalf of the occupants of residential apartments or condominiums through a single or master meter, including service for common areas and facilities and vacant units, shall be considered as sales made for domestic use and such sales shall be exempt from sales tax. Sellers shall charge sales tax upon the entire amount of purchases classified as nondomestic use. The seller's utility service rate classification and the provision of service thereunder shall be conclusive as to whether or not the utility must charge sales tax;

(c) Each person making domestic use purchases of services or property and who uses any portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day of the fourth month following the year of purchase, and without assessment, notice or demand, file a return and pay sales tax on that portion of nondomestic purchases. Each person making nondomestic purchases of services or property and who uses any portion of the services or property so purchased for domestic use, and each person making domestic purchases on behalf of occupants of residential apartments or condominiums through a single or master meter, including service for common areas and facilities and vacant units, under a nonresidential utility service rate classification may, between the first day of the first month and the fifteenth day of the fourth month following the year of purchase, apply for credit or refund to the director of revenue and the director shall give credit or make refund for taxes paid on the domestic use portion of the purchase. The person making such purchases on behalf of occupants of residential apartments or condominiums shall have standing to apply to the director of revenue for such credit or refund;

(24) All sales of handicraft items made by the seller or the seller's spouse if the seller or the seller's spouse is at least sixty-five years of age, and if the total gross proceeds from such sales do not constitute a majority of the annual gross income of the seller;

(25) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4071, 4081, **[**4091,**]** 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of revenue shall promulgate rules pursuant to chapter 536 to eliminate all state and local sales taxes on such excise taxes;

(26) Sales of fuel consumed or used in the operation of ships, barges, or waterborne vessels which are used primarily in or for the transportation of property or cargo, or the conveyance of persons for hire, on navigable rivers bordering on or located in part in this state, if such fuel is delivered by the seller to the purchaser's barge, ship, or waterborne vessel while it is afloat upon such river;

(27) All sales made to an interstate compact agency created pursuant to sections 70.370 to 70.441 or sections 238.010 to 238.100 in the exercise of the functions and activities of such agency as provided pursuant to the compact;

(28) Computers, computer software and computer security systems purchased for use by architectural or engineering firms headquartered in this state. For the purposes of this subdivision, "headquartered in this state" means the office for the administrative management of at least four integrated facilities operated by the taxpayer is located in the state of Missouri;

(29) All livestock sales when either the seller is engaged in the growing, producing or feeding of such livestock, or the seller is engaged in the business of buying and selling, bartering or leasing of such livestock;

(30) All sales of barges which are to be used primarily in the transportation of property or cargo on interstate waterways;

(31) Electrical energy or gas, whether natural, artificial or propane, water, or other utilities which are ultimately consumed in connection with the manufacturing of cellular glass products or in any material recovery processing plant as defined in subdivision (4) of this subsection;

(32) Notwithstanding other provisions of law to the contrary, all sales of pesticides or herbicides used in the production of crops, aquaculture, livestock or poultry;

(33) Tangible personal property and utilities purchased for use or consumption directly or exclusively in the research and development of agricultural/biotechnology and plant genomics products and prescription pharmaceuticals consumed by humans or animals;

(34) All sales of grain bins for storage of grain for resale;

(35) All sales of feed which are developed for and used in the feeding of pets owned by a commercial breeder when such sales are made to a commercial breeder, as defined in section 273.325, and licensed pursuant to sections 273.325 to 273.357;

(36) All purchases by a contractor on behalf of an entity located in another state, provided that the entity is authorized to issue a certificate of exemption for purchases to a contractor under the provisions of that state's laws. For purposes of this subdivision, the term "certificate of exemption" shall mean any document evidencing that the entity is exempt from sales and use taxes on purchases pursuant to the laws of the state in which the entity is located. Any contractor making purchases on behalf of such entity shall maintain a copy of the entity's exemption certificate as evidence of the exemption. If the exemption certificate issued by the exempt entity to the contractor is later determined by the director of revenue to be invalid for any reason and the contractor has accepted the certificate in good faith, neither the contractor or the exempt entity shall be liable for the payment of any taxes, interest and penalty due as the result of use of the invalid exemption certificate. Materials shall be exempt from all state and local sales and use taxes when purchased by a contractor for the purpose of fabricating tangible personal property which is

used in fulfilling a contract for the purpose of constructing, repairing or remodeling facilities for the following:

(a) An exempt entity located in this state, if the entity is one of those entities able to issue project exemption certificates in accordance with the provisions of section 144.062; or

(b) An exempt entity located outside the state if the exempt entity is authorized to issue an exemption certificate to contractors in accordance with the provisions of that state's law and the applicable provisions of this section;

(37) All sales or other transfers of tangible personal property to a lessor who leases the property under a lease of one year or longer executed or in effect at the time of the sale or other transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441 or sections 238.010 to 238.100;

(38) Sales of tickets to any collegiate athletic championship event that is held in a facility owned or operated by a governmental authority or commission, a quasi-governmental agency, a state university or college or by the state or any political subdivision thereof, including a municipality, and that is played on a neutral site and may reasonably be played at a site located outside the state of Missouri. For purposes of this subdivision, "neutral site" means any site that is not located on the campus of a conference member institution participating in the event;

(39) All purchases by a sports complex authority created under section 64.920, and all sales of utilities by such authority at the authority's cost that are consumed in connection with the operation of a sports complex leased to a professional sports team;

(40) All materials, replacement parts, and equipment purchased for use directly upon, and for the modification, replacement, repair, and maintenance of aircraft, aircraft power plants, and aircraft accessories;

(41) Sales of sporting clays, wobble, skeet, and trap targets to any shooting range or similar places of business for use in the normal course of business and money received by a shooting range or similar places of business from patrons and held by a shooting range or similar place of business for redistribution to patrons at the conclusion of a shooting event;

(42) All sales of motor fuel, as defined in section 142.800, used in any watercraft, as defined in section 306.010;

(43) Any new or used aircraft sold or delivered in this state to a person who is not a resident of this state or a corporation that is not incorporated in this state, and such aircraft is not to be based in this state and shall not remain in this state more than ten business days subsequent to the last to occur of:

(a) The transfer of title to the aircraft to a person who is not a resident of this state or a corporation that is not incorporated in this state; or

(b) The date of the return to service of the aircraft in accordance with 14 CFR 91.407 for any maintenance, preventive maintenance, rebuilding, alterations, repairs, or installations that are completed contemporaneously with the transfer of title to the aircraft to a person who is not a resident of this state or a corporation that is not incorporated in this state;

(44) Motor vehicles registered in excess of fifty-four thousand pounds, and the trailers pulled by such motor vehicles, that are actually used in the normal course of business to haul property on the public highways of the state, and that are capable of hauling loads commensurate with the motor vehicle's registered weight; and the materials, replacement parts, and equipment purchased for use directly upon, and for the repair and maintenance or manufacture of such vehicles. For purposes of this subdivision, "motor vehicle" and "public highway" shall have the meaning as ascribed in section 390.020;

(45) All internet access or the use of internet access regardless of whether the tax is imposed on a provider of internet access or a buyer of internet access. For purposes of this subdivision, the following terms shall mean:

(a) "Direct costs", costs incurred by a governmental authority solely because of an internet service provider's use of the public right-of-way. The term shall not include costs that the governmental authority would have incurred if the internet service provider did not make such use of the public right-of-way. Direct costs shall be determined in a manner consistent with generally accepted accounting principles;

(b) "Internet", computer and telecommunications facilities, including equipment and operating software, that comprises the interconnected worldwide network that employ the transmission control protocol or internet protocol, or any predecessor or successor protocols to that protocol, to communicate information of all kinds by wire or radio;

(c) "Internet access", a service that enables users to connect to the internet to access content, information, or other services without regard to whether the service is referred to as telecommunications, communications, transmission, or similar services, and without regard to whether a provider of the service is subject to regulation by the Federal Communications Commission as a common carrier under 47 U.S.C. Section 201, et seq. For purposes of this subdivision, internet access also includes: the purchase, use, or sale of communications services, including telecommunications services as defined in section 144.010, to the extent the communications services are purchased, used, or sold to provide the service described in this subdivision or to otherwise enable users to access content, information, or other services offered over the internet; services that are incidental to the provision of a service described in this subdivision, when furnished to users as part of such service, including a home page, electronic mail, and instant messaging, including voice-capable and video-capable electronic mail and instant messaging, video clips, and personal electronic storage capacity; a home page electronic mail and instant messaging, including voice-capable and video-capable electronic mail and instant messaging, video clips, and personal electronic storage capacity that are provided independently or that are not packed with internet access. As used in this subdivision, internet access does not include voice, audio, and video programming or other products and services, except services described in this paragraph or this subdivision, that use internet protocol or any successor protocol and for which there is a charge, regardless of whether the charge is separately stated or aggregated with the charge for services described in this paragraph or this subdivision;

(d) "Tax", any charge imposed by the state or a political subdivision of the state for the purpose of generating revenues for governmental purposes and that is not a fee imposed for a specific privilege, service, or benefit conferred, except as described as otherwise under this subdivision, or any obligation imposed on a seller to collect and to remit to the state or a political subdivision of the state any gross retail tax, sales tax, or use tax imposed on a buyer by such a governmental entity. The term tax shall not include any franchise fee or similar fee imposed or authorized under sections 67.1830 to 67.1846 or section

67.2689; Section 622 or 653 of the Communications Act of 1934, 47 U.S.C. Section 542 and 47 U.S.C. Section 573; or any other fee related to obligations of telecommunications carriers under the Communications Act of 1934, 47 U.S.C. Section 151, et seq., except to the extent that:

a. The fee is not imposed for the purpose of recovering direct costs incurred by the franchising or other governmental authority from providing the specific privilege, service, or benefit conferred to the payer of the fee; or

b. The fee is imposed for the use of a public right-of-way based on a percentage of the service revenue, and the fee exceeds the incremental direct costs incurred by the governmental authority associated with the provision of that right-of-way to the provider of internet access service.

Nothing in this subdivision shall be interpreted as an exemption from taxes due on goods or services that were subject to tax on January 1, 2016;

(46) All purchases by a company of solar photovoltaic energy systems, components used to construct a solar photovoltaic energy system, and all purchases of materials and supplies used directly to construct or make improvements to such systems, provided that such systems:

(a) Are sold or leased to an end user; or

(b) Are used to produce, collect and transmit electricity for resale or retail**;**

(47) All sales of used tangible personal property purchased by a consumer for use or consumption, and not for resale, for valuable consideration directly from a seller at an auction of used tangible personal property or from another consumer. For the purposes of this section, "used tangible personal property" is any tangible personal property that is sold a second time at an auction or any number of additional subsequent times after the initial point of sale at an auction, upon which a sales tax is levied. The term "used tangible personal property" shall not include motor vehicles, trailers, boats, or outboard motors purchased or acquired for use on the highways or waters of this state which are required to be titled under the laws of the state of Missouri.

3. Any ruling, agreement, or contract, whether written or oral, express or implied, between a person and this state's executive branch, or any other state agency or department, stating, agreeing, or ruling that such person is not required to collect sales and use tax in this state despite the presence of a warehouse, distribution center, or fulfillment center in this state that is owned or operated by the person or an affiliated person shall be null and void unless it is specifically approved by a majority vote of each of the houses of the general assembly. For purposes of this subsection, an "affiliated person" means any person that is a member of the same controlled group of corporations as defined in Section 1563(a) of the Internal Revenue Code of 1986, as amended, as the vendor or any other entity that, notwithstanding its form of organization, bears the same ownership relationship to the vendor as a corporation that is a member of the same controlled group of corporations as defined in Section 1563(a) of the Internal Revenue Code, as amended.

144.615. There are specifically exempted from the taxes levied in sections 144.600 to 144.745:

(1) Property, the storage, use or consumption of which this state is prohibited from taxing pursuant to the constitution or laws of the United States or of this state;

(2) Property, the gross receipts from the sale of which are required to be included in the measure of the tax imposed pursuant to the Missouri sales tax law;

(3) Tangible personal property, the sale or other transfer of which, if made in this state, would be exempt from or not subject to the Missouri sales tax pursuant to the provisions of subsection 2 of section 144.030;

(4) Motor vehicles, trailers, boats, and outboard motors subject to the tax imposed by section 144.020;

(5) Tangible personal property which has been subjected to a tax by any other state in this respect to its sales or use; provided, if such tax is less than the tax imposed by sections 144.600 to 144.745, such property, if otherwise taxable, shall be subject to a tax equal to the difference between such tax and the tax imposed by sections 144.600 to 144.745;

(6) Tangible personal property held by processors, retailers, importers, manufacturers, wholesalers, or jobbers solely for resale in the regular course of business;

(7) Personal and household effects and farm machinery used while an individual was a bona fide resident of another state and who thereafter became a resident of this state, or tangible personal property brought into the state by a nonresident for his own storage, use or consumption while temporarily within the state**;**

(8) Tangible personal property purchased by a consumer for use or consumption, and not for resale, for valuable consideration directly from a seller at an auction of used tangible personal property or from another consumer. For the purposes of this section, "used tangible personal property" is any tangible personal property that is sold a second time at an auction or any number of additional subsequent times after the initial point of sale at an auction, upon which a sales tax is levied. The term "used tangible personal property" shall not include motor vehicles, trailers, boats, or outboard motors purchased or acquired for use on the highways or waters of this state which are required to be titled under the laws of the state of Missouri.

313.800. 1. As used in sections 313.800 to 313.850, unless the context clearly requires otherwise, the following terms mean:

(1) "Adjusted gross receipts", the gross receipts from licensed gambling games and devices less winnings paid to wagerers**. "Adjusted gross receipts" shall not include adjusted gross receipts from sports wagering as defined in section 313.1000**;

(2) "Applicant", any person applying for a license authorized under the provisions of sections 313.800 to 313.850;

(3) "Bank", the elevations of ground which confine the waters of the Mississippi or Missouri Rivers at the ordinary high water mark as defined by common law;

(4) "Capital, cultural, and special law enforcement purpose expenditures" shall include any disbursement, including disbursements for principal, interest, and costs of issuance and trustee administration related to any indebtedness, for the acquisition of land, land improvements, buildings and building improvements, vehicles, machinery, equipment, works of art, intersections, signing, signalization, parking lot, bus stop, station, garage, terminal, hanger, shelter, dock, wharf, rest area, river

port, airport, light rail, railroad, other mass transit, pedestrian shopping malls and plazas, parks, lawns, trees, and other landscape, convention center, roads, traffic control devices, sidewalks, alleys, ramps, tunnels, overpasses and underpasses, utilities, streetscape, lighting, trash receptacles, marquees, paintings, murals, fountains, sculptures, water and sewer systems, dams, drainage systems, creek bank restoration, any asset with a useful life greater than one year, cultural events, and any expenditure related to a law enforcement officer deployed as horse-mounted patrol, school resource or drug awareness resistance education (D.A.R.E) officer;

(5) "Cheat", to alter the selection of criteria which determine the result of a gambling game or the amount or frequency of payment in a gambling game;

(6) "Commission", the Missouri gaming commission;

(7) "Credit instrument", a written check, negotiable instrument, automatic bank draft or other authorization from a qualified person to an excursion gambling boat licensee or any of its affiliated companies licensed by the commission authorizing the licensee to withdraw the amount of credit extended by the licensee to such person from the qualified person's banking account in an amount determined under section 313.817 on or after a date certain of not more than thirty days from the date the credit was extended, and includes any such writing taken in consolidation, redemption or payment of a previous credit instrument, but does not include any interest-bearing installment loan or other extension of credit secured by collateral;

(8) "Dock", the location in a city or county authorized under subsection 10 of section 313.812 which contains any natural or artificial space, inlet, hollow, or basin, in or adjacent to a bank of the Mississippi or Missouri Rivers, next to a wharf or landing devoted to the embarking of passengers on and disembarking of passengers from a gambling excursion but shall not include any artificial space created after May 20, 1994, and is located more than one thousand feet from the closest edge of the main channel of the river as established by the United States Army Corps of Engineers;

(9) "Excursion gambling boat", a boat, ferry, other floating facility, or any nonfloating facility licensed by the commission on or inside of which gambling games are allowed;

(10) "Fiscal year", the fiscal year of a home dock city or county;

(11) "Floating facility", any facility built or originally built as a boat, ferry or barge licensed by the commission on which gambling games are allowed;

(12) "Gambling excursion", the time during which gambling games may be operated on an excursion gambling boat whether docked or during a cruise;

(13) "Gambling game" includes, but is not limited to, games of skill or games of chance on an excursion gambling boat **[**but does not include gambling on sporting events**]**; provided such games of chance are approved by amendment to the Missouri Constitution;

(14) "Games of chance", any gambling game in which the player's expected return is not favorably increased by the player's reason, foresight, dexterity, sagacity, design, information or strategy;

(15) "Games of skill", any gambling game in which there is an opportunity for the player to use the player's reason, foresight, dexterity, sagacity, design, information or strategy to favorably increase the

player's expected return; including, but not limited to, the gambling games known as "poker", "blackjack" (twenty-one), "craps", "Caribbean stud", "pai gow poker", "Texas hold'em", "double down stud", **"sports wagering",** and any video representation of such games;

(16) "Gross receipts", the total sums wagered by patrons of licensed gambling games;

(17) "Holder of occupational license", a person licensed by the commission to perform an occupation within excursion gambling boat operations which the commission has identified as requiring a license;

(18) "Licensee", any person licensed under sections 313.800 to 313.850;

(19) "Mississippi River" and "Missouri River", the water, bed and banks of those rivers, including any space filled wholly or partially by the water of those rivers in a manner approved by the commission but shall not include any artificial space created after May 20, 1994, and is located more than one thousand feet from the closest edge of the main channel of the river as established by the United States Army Corps of Engineers;

(20) "Nonfloating facility", any structure within one thousand feet from the closest edge of the main channel of the Missouri or Mississippi River, as established by the United States Army Corps of Engineers, that contains at least two thousand gallons of water beneath or inside the facility either by an enclosed space containing such water or in rigid or semirigid storage containers, tanks, or structures;

(21) "Supplier", a person who sells or leases gambling equipment and gambling supplies to any licensee.

2. (1) In addition to the games of skill defined in this section, the commission may approve other games of skill upon receiving a petition requesting approval of a gambling game from any applicant or licensee. The commission may set the matter for hearing by serving the applicant or licensee with written notice of the time and place of the hearing not less than five days prior to the date of the hearing and posting a public notice at each commission office. The commission shall require the applicant or licensee to pay the cost of placing a notice in a newspaper of general circulation in the applicant's or licensee's home dock city or county. The burden of proof that the gambling game is a game of skill is at all times on the petitioner. The petitioner shall have the affirmative responsibility of establishing the petitioner's case by a preponderance of evidence including:

(a) Is it in the best interest of gaming to allow the game; and

(b) Is the gambling game a game of chance or a game of skill?

(2) All testimony shall be given under oath or affirmation. Any citizen of this state shall have the opportunity to testify on the merits of the petition. The commission may subpoena witnesses to offer expert testimony. Upon conclusion of the hearing, the commission shall evaluate the record of the hearing and issue written findings of fact that shall be based exclusively on the evidence and on matters officially noticed. The commission shall then render a written decision on the merits which shall contain findings of fact, conclusions of law and a final commission order. The final commission order shall be within thirty days of the hearing. Copies of the final commission order shall be served on the petitioner by certified or overnight express mail, postage prepaid, or by personal delivery.

313.813. The commission may promulgate rules allowing a person that is a problem gambler to voluntarily exclude him/herself from an excursion gambling boat**, or a licensed facility or platform regulated under sections 313.1000 to 313.1022**. Any person that has been self-excluded is guilty of trespassing in the first degree pursuant to section 569.140 if such person enters an excursion gambling boat. **Any person who has been self-excluded and is found to have placed a wager under sections 313.1000 to 313.1022 shall forfeit his or her winnings and such winnings shall be credited to the compulsive gamblers fund created under section 313.842.**

313.842. **1.** There **[**may**] shall** be established programs which shall provide treatment, prevention**, recovery,** and education services for compulsive gambling. As used in this section, "compulsive gambling" means a condition suffered by a person who is chronically and progressively preoccupied with gambling and the urge to gamble. Subject to appropriation, such programs shall be funded from the one-cent admission fee authorized pursuant to section 313.820, and in addition, may be funded from the taxes collected and distributed to any city or county under section 313.822 **or any other funds appropriated by the general assembly**. Such moneys shall be submitted to the state and credited to the "Compulsive Gamblers Fund", which is hereby established within the department of mental health. Notwithstanding the provisions of section 33.080 to the contrary, moneys in the fund at the end of any biennium shall not be transferred to the credit of the general revenue fund. The department of mental health shall administer programs, either directly or by contract, for compulsive gamblers. The commission **[**may**] shall** administer programs to educate the public about problem gambling and promote treatment programs offered by the department of mental health. In addition, the commission shall administer the voluntary exclusion program for problem gamblers authorized by section **[**313.833**] 313.813**.

2. The commission, in cooperation with the department of mental health, shall develop a triennial research report in order to assess the social and economic effects of gaming in the state and to obtain scientific information related to the neuroscience, psychology, sociology, epidemiology, and etiology of compulsive gambling. The report and associated studies shall be submitted to the governor, the president pro tempore of the senate, and the speaker of the house of representatives no later than December 31, 2024, and not later than December thirty-first of every third year thereafter. The research report shall consist of at least:

(1) A baseline study of the existing occurrence of compulsive gambling in the state. The study shall examine and describe the existing levels of compulsive gambling and the existing programs available that have a goal of preventing and addressing the harmful consequences of compulsive gambling;

(2) A comprehensive legal and factual study of the social and economic impacts of gambling on the state; and

(3) Recommendations on programs and legislative actions to address compulsive gambling in the state, including a recommended appropriation to the compulsive gamblers fund based on the study required in subdivision (1) of this subsection.

313.1000. 1. As used in sections 313.1000 to 313.1022, the following terms shall mean:

(1) "Adjusted gross receipts":

(a) The total of all cash and cash equivalents received by a sports wagering operator from sports wagering minus the total of:

a. All cash and cash equivalents paid out as winnings to sports wagering patrons;

b. The actual costs paid by a sports wagering operator for anything of value provided to and redeemed by patrons, including merchandise or services distributed to sports wagering patrons to incentivize sports wagering;

c. Voided or cancelled wagers;

d. For the first year of implementation, one hundred percent of the costs of free play or promotional credits provided to and redeemed by patrons and decreasing by twenty-five percent each year following until the fifth and subsequent years, in which no cost of free play or promotional credits shall be deducted;

e. Any sums paid as a result of any federal tax, including federal excise tax; and

f. Uncollectible sports wagering receivables, not to exceed the lesser of:

(i) A reasonable provision for uncollectible patron checks, automated clearing house (ACH) transactions, debit card transactions, and credit card transactions received from sports wagering operations; or

(ii) Two percent of the total of all sums, including checks, whether collected, less the amount paid out as winnings to sports wagering patrons. For purposes of this section, a counter or personal check that is invalid or unenforceable under this section is considered cash received by the sports wagering operator from sports wagering operations;

(b) The deductions allowed under paragraph (a) of this subdivision shall not include any costs arising directly from the purchase of advertising with a nonpatron third party, including the direct cost of purchasing print, television, or radio advertising or any signage or billboards;

(c) If the amount of adjusted gross receipts in a gaming month is a negative figure, the certificate holder shall remit no sports wagering tax for that gaming month. Any negative adjusted gross receipts shall be carried over and calculated as a deduction in the subsequent gaming months until the negative figure has been brought to a zero balance;

(2) "Certificate holder", a licensed applicant issued a certificate of authority by the commission;

(3) "Certificate of authority", a certificate issued by the commission authorizing a licensed applicant to conduct sports wagering under sections 313.1000 to 313.1022;

(4) "Commercially reasonable terms", for the purposes of official league data only, includes the following nonexclusive factors:

(a) The extent to which event wagering operators have purchased the same or similar official league data on the same or similar terms;

(b) The speed, accuracy, timeliness, reliability, quality, and quantity of the official league data as compared to comparable alternative data sources;

(c) The quality and complexity of the process used to collect and distribute the official league data as compared to comparable alternative data sources; and

(d) The availability and cost of similar league data from multiple sources;

(5) "Commission", the Missouri gaming commission;

(6) "Covered persons", athletes; umpires, referees, and officials; personnel associated with clubs, teams, leagues, and athletic associations; medical professionals, including athletic trainers, who provide services to athletes and players; and the family members and associates of these persons where required to serve the purposes of sections 313.1000 to 313.1022;

(7) "Department", the department of revenue;

(8) "Designated sports district", the premises of a facility located in this state with a capacity of eleven thousand five hundred people or more, at which one or more professional sports teams that is a member of the National Football League, Major League Baseball, the National Hockey League, the National Basketball Association, Major League Soccer, the Women's National Basketball Association, or the National Women's Soccer League plays its home games, and the surrounding area within four hundred yards of such premises;

(9) "Designated sports district mobile licensee", a person or entity, registered to do business within this state, that is designated by a professional sports team entity to be a licensed applicant and an interactive sports wagering platform operator authorized to offer sports wagering only via the internet in this state, subject to the commission's approval and licensure under sections 313.1000 to 313.1022; provided, however, for purposes of clarification and avoidance of doubt, the designated person or entity, rather than the applicable professional sports team entity, shall be the party that submits to the commission for licensure under sections 313.1000 to 313.1022;

(10) "Esports", athletic and sporting events in which all participants are eighteen years of age or older and involving electronic sports and competitive video games;

(11) "Excursion gambling boat", the same meaning as defined under section 313.800;

(12) "Gross receipts", the total amount of cash and cash equivalents paid by sports wagering patrons to a sports wagering operator to participate in sports wagering;

(13) "Interactive sports wagering platform" or "platform", a platform operated by an interactive sports wagering platform operator that offers sports wagering through an individual account registered to an eligible person, under section 313.1014, over the internet, including on websites and mobile devices, on behalf of a licensed facility or designated sports district. Except as otherwise provided, an interactive sports wagering platform may also offer in-person sports wagering on behalf of a licensed facility that is an excursion gambling boat at its licensed facility, including through sports wagering devices;

(14) "Interactive sports wagering platform operator", a suitable legal entity that holds a license issued by the commission to operate an interactive sports wagering platform;

(15) "Licensed applicant", a person holding a license issued under section 313.807 to operate an excursion gambling boat, an interactive sports wagering platform operator, or a designated sports district mobile licensee;

(16) "Licensed facility", an excursion gambling boat licensed under this chapter or a designated sports district for which a certificate holder is licensed under sections 313.1000 to 313.1022;

(17) "Licensed supplier", a person holding a supplier's license issued by the commission;

(18) "Occupational license", a license issued by the commission;

(19) "Official league data", statistics, results, outcomes, and other data related to a sports event or other event utilized to determine the outcome of tier 2 bets obtained pursuant to an agreement with the relevant sports governing body or an entity expressly authorized by the sports governing body to provide such information that authorizes a sports wagering operator to use such data for determining the outcome of tier 2 bets;

(20) "Person", an individual, sole proprietorship, partnership, association, fiduciary, corporation, limited liability company, or any other business entity;

(21) "Personal biometric data", any information about an athlete that is derived from the athlete's DNA, heart rate, blood pressure, perspiration rate, internal or external body temperature, hormone levels, glucose levels, hydration levels, vitamin levels, bone density, muscle density, or sleep patterns or other information as may be prescribed by the commission by regulation;

(22) "Professional sports team entity", a person or entity, registered to do business in this state, that owns or operates a professional sports team that is a member of the National Football League, Major League Baseball, the National Hockey League, the National Basketball Association, Major League Soccer, the Women's National Basketball Association, or the National Women's Soccer League and that plays its home games within a designated sports district;

(23) "Prohibited conduct", any statement, action, or other communication intended to influence, manipulate, or control a betting outcome of a sporting contest or of any individual occurrence or performance in a sporting contest in exchange for financial gain or to avoid financial or physical harm. "Prohibited conduct" includes statements, actions, and communications made to a covered person by a third party, such as a family member or through social media, but shall not include statements, actions, or communications made or sanctioned by a team or sports governing body;

(24) "Sports governing body", an organization headquartered in the United States that prescribes final rules and enforces codes of conduct with respect to a sports event and participants therein;

(25) "Sports wagering", "sports wager", "sports bet", or "bet", wagering on athletic, sporting, and other competitive events involving human competitors including, but not limited to, esports, or on other events as approved by the commission. Such terms shall include, but not be limited to, bets or wagers made on: portions of athletic and sporting events, including those on outcomes determined prior to the start of a sporting event, or on the individual statistics of athletes in a sporting event or compilation of sporting events, involving human competitors. The term includes, but is not limited to, single-game wagers, teaser wagers, parlays, over-unders, moneyline bets, pools,

exchange wagering, in-game wagers, in-play wagers, proposition wagers, and straight wagers or other wagers approved by the commission. Sports wagering shall not include fantasy sports under sections 313.900 to 313.955 or those games and contests in which the outcome is determined purely on chance and without any human skill, intention, interaction, or direction;

(26) "Sports wagering commercial activity", any operation, promotion, signage, advertising, or other business activity relating to sports wagering, including the operation or advertising of a business or location at which sports wagering is offered or a business or location at which sports wagering through one or more interactive platforms is promoted or advertised;

(27) "Sports wagering device" or "sports wagering kiosk", a self-service mechanical, electrical, or computerized contrivance, terminal, device, apparatus, piece of equipment, or supply approved by the commission for conducting sports wagering under sections 313.1000 to 313.1022. "Sports wagering device" shall not include a device used by a sports wagering patron to access an interactive sports wagering platform. The hardware of a sports wagering device not capable of accepting wagers shall not be considered a sports wagering device;

(28) "Sports wagering operator" or "operator", a licensed facility that is an excursion gambling boat or an interactive sports wagering platform operator offering sports wagering on behalf of a licensed facility;

(29) "Sports wagering supplier", a person that provides goods, services, software, or any other components necessary for the creation of sports wagering markets and determination of wager outcomes, directly or indirectly, to any sports wagering operator or applicant involved in the acceptance of wagers, including any of the following: providers of data feeds and odds services, providers of kiosks used for self-wagering made in-person, risk management providers, integrity monitoring providers, and other providers of sports wagering supplier services as determined by the commission; provided, however, that no sports governing body shall be a sports wagering supplier for any purposes under sections 313.1000 to 313.1022;

(30) "Supplier's license", a license issued by the commission under section 313.807;

(31) "Tier 1 bet", an internet bet that is determined solely by the final score or final outcome of the sports event and is placed before the sports event has begun;

(32) "Tier 2 bet", an internet bet that is not a tier 1 bet.

313.1002. 1. The state of Missouri shall be exempt from the provisions of 15 U.S.C. Section 1172, as amended.

2. All shipments of gambling devices, which shall include devices capable of accepting sports wagers used to conduct sports wagering under sections 313.1000 to 313.1022 to licensed applicants or sports wagering operators, the registering, recording, and labeling of which have been completed by the manufacturer or dealer thereof in accordance with 15 U.S.C. Sections 1171 to 1178, as amended, shall be legal shipments of gambling devices into this state. Point-of-contact devices or kiosks not yet capable of accepting sports wagers shall not be considered gambling devices for purposes of this section.

313.1003. 1. Sports wagering shall not be offered in this state except by a certificate holder.

2. A certificate holder may offer sports wagering:

(1) In person within its applicable licensed facility, provided that such certificate holder is an excursion gambling boat licensed under this chapter; and

(2) Over the internet through an interactive sports wagering platform to persons physically located in this state.

3. Notwithstanding any other provision of law to the contrary, except as provided under sections 313.1000 to 313.1022, sports wagering commercial activity shall be prohibited from occurring within any designated sports district without the approval of each professional sports team entity applicable to such designated sports district; provided, however, that no such approval shall be required for the sole activity of offering sports wagering over the internet via an interactive sports wagering platform that is accessible to persons physically located within such designated sports district.

313.1004. 1. The commission shall have full jurisdiction to supervise all gambling operators governed by sections 313.1000 to 313.1022 and shall adopt rules and regulations to implement the provisions of sections 313.1000 to 313.1022. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2023, shall be invalid and void.

2. Rules adopted under this section shall include, but not be limited to, the following:

(1) Standards and procedures to govern the conduct of sports wagering, including the manner in which:

(a) Wagers are received;

(b) Payouts are paid; and

(c) Point spreads, lines, and odds are disclosed;

(2) Standards governing how a sports wagering operator offers sports wagering over the internet through an interactive sports wagering platform to patrons physically located in Missouri;

(3) The manner in which a sports wagering operator's books and financial records relating to sports wagering are maintained and audited, including standards for the daily counting of a sports wagering operator's gross receipts from sports wagering and standards to ensure that internal controls are followed; and

(4) Standards concerning the detection and prevention of compulsive gambling including, but not limited to, requirements to use a nationally recognized problem gambling helpline phone number in all promotional activity.

3. Rules adopted under this section shall require a sports wagering operator to make commercially reasonable efforts to do the following:

(1) Designate one or more areas within the licensed facility operated by the sports wagering operator if the sports wagering operator is a licensed facility that is an excursion gambling boat;

(2) Ensure the security and integrity of sports wagers accepted through any interactive sports wagering platform operated or authorized by such sports wagering operator;

(3) Ensure that the sports wagering operator's surveillance system covers all areas of the in-person sports wagering activity conducted within a licensed facility that is an excursion gambling boat;

(4) Allow the commission to be present through the commission's gaming agents when sports wagering is conducted in all areas of the sports wagering operator's licensed facility that is an excursion gambling boat in which sports wagering is conducted, to do the following:

(a) Ensure maximum security of the counting and storage of the sports wagering revenue received by the sports wagering operator;

(b) Certify the sports wagering revenue received by the sports wagering operator; and

(c) Receive complaints from the public;

(5) Ensure that wager results are determined only from data that is provided by the applicable sports governing body or the licensed sports wagering suppliers;

(6) Ensure that persons who are under twenty-one years of age do not make sports wagers;

(7) Establish house rules specifying the amounts to be paid on winning wagers and the effect of schedule changes. The house rules shall be displayed in the sports wagering operator's sports wagering area or posted on the sports wagering operator's internet site or mobile application and included in the terms and conditions thereof or another approved area; and

(8) Establish industry-standard procedures regarding the voiding or cancelling of wagers in the sports wagering operator's internal controls and house rules.

4. (1) A sports governing body or other authorized entity that maintains official league data may notify the commission that official league data for settling tier 2 bets is available for sports wagering operators.

(2) The commission shall notify sports wagering operators within seven days of receipt of the notification from the sports governing body or other authorized entity that maintains official league data of the availability of official league data. Within sixty days following such notification by the commission, each sports wagering operator shall use only official league data to settle tier 2 bets on athletic events sanctioned by the applicable sports governing body, except:

(a) During the pendency of a request by such sports wagering operator to the commission, under this section, to use alternative data sources approved by the commission to settle such tier 2 bets; or

(b) Following approval by the commission of a request by such sports wagering operator to use alternative data sources approved by the commission in accordance with this section.

(3) Official league data made available to sports wagering operators by the sports governing body or other authorized entity that maintains official league data shall be offered on commercially reasonable terms.

(4) A sports wagering operator may submit a written request to the commission for the use, or continued use, of alternative data sources approved by the commission within sixty days of receiving the notification from the commission regarding the availability of official league data. The request shall demonstrate in detail that the sports governing body or other authorized entity that maintains official league data is unable or unwilling to offer official league data on commercially reasonable terms. Within sixty days of receipt of the written request from a sports wagering operator to use an alternative data source, the commission shall issue a written approval or disapproval of such a request.

(5) The commission shall publish a list of official league data providers on its website.

5. The commission may enter into agreements with other jurisdictions to facilitate, administer, and regulate multi-jurisdictional sports betting by sports betting operators to the extent that entering into the agreement is consistent with state and federal laws and the sports betting agreement is conducted only in the United States.

6. (1) The commission shall establish a hotline or other method of communication that allows any person to confidentially report information about prohibited conduct to the commission.

(2) The commission shall investigate all reasonable allegations of prohibited conduct and refer any allegations it deems credible to the appropriate law enforcement entity.

(3) The identity of any reporting person shall remain confidential unless that person authorizes disclosure of his or her identity or until such time as the allegation of prohibited conduct is referred to law enforcement.

(4) If the commission receives a complaint of prohibited conduct by an athlete, the commission shall notify the appropriate sports governing body of the athlete to review the complaint as provided by rule.

(5) The commission shall adopt rules governing investigations of prohibited conduct and referrals to law enforcement entities.

313.1006. 1. A licensed applicant holding a license issued under section 313.807 to operate an excursion gambling boat who wishes to offer sports wagering under sections 313.1000 to 313.1022 shall:

(1) Submit an application to the commission in the manner prescribed by the commission for each licensed facility in which the licensed applicant wishes to conduct sports wagering;

(2) Pay an initial application fee, not to exceed one hundred thousand dollars, which shall be deposited in the gaming commission fund and distributed according to section 313.835; and

(3) Submit to the commission a responsible gambling plan that shall include, but is not limited to:

(a) Annual training for all staff regarding the practice of responsible gambling and identifying compulsive or problem gamblers;

(b) Policies and strategies for handling situations in which players indicate they are in distress or experiencing a problem; and

(c) Policies and strategies to address third-party concerns about players' gambling behavior.

2. Upon receipt of the application and fee required under subsection 1 of this section, the commission shall issue a certificate of authority to a licensed applicant authorizing the licensed applicant to conduct sports wagering under sections 313.1000 to 313.1022 in a licensed facility or through an interactive sports wagering platform.

313.1008. 1. The commission shall ensure that new sports wagering devices and new forms, variations, or composites of sports wagering are tested under the terms and conditions that the commission considers appropriate prior to authorizing a sports wagering operator to offer a new sports wagering device or a new form, variation, or composite of sports wagering. The commission may utilize an approved independent testing laboratory to assist with any requirements of this section. The commission shall accept such testing of another sports wagering governing body in the United States if the commission determines the testing of that governing body is substantially similar to the testing that would otherwise be required by the commission and the sports wagering operator verifies that its sports wagering devices and forms have not materially changed since such testing.

2. A licensed facility that is an excursion gambling boat may also offer sports wagering through up to three individually branded interactive sports wagering platforms under the brand, trade name, or another name it is doing business as (d/b/a) selected by the sports wagering operator or, as applicable, the interactive sports wagering platform operator. A sports wagering operator may operate each interactive sports wagering platform or contract with one or more interactive sports wagering platform operators to administer any or all of the interactive sports wagering platforms on the licensed facility's behalf. Notwithstanding any provision of this section and anything to the contrary set forth under sections 313.1000 through 313.1022, in no event shall sports wagering be offered through more than six sports wagering platforms contracting with any one owner of a licensed facility, directly or indirectly through any parent company, subsidiary, or affiliate of such owner.

3. Each designated sports district mobile licensee may offer sports wagering within the state through one interactive sports wagering platform. Each designated sports district mobile licensee shall be required to be licensed by the commission as an interactive sports wagering platform operator. Sports wagering over the internet through any interactive sports wagering platform may be offered by any licensed sports wagering operator within any designated sports district.

4. Notwithstanding anything to the contrary set forth under sections 313.1000 through 313.1022, no sports wagering operator may offer sports wagering in person or through any sports wagering kiosk, except within a licensed facility that is an excursion gambling boat.

5. (1) Sports wagering may be conducted with chips, tokens, electronic cards, cash, cash equivalents, debit or credit cards, other negotiable currency, online payment services, automated clearing houses, promotional funds, or any other means approved by the commission.

(2) A sports wagering operator shall in, its internal controls or house rules, determine a minimum wager amount in sports wagering conducted by the sports wagering operator and may determine a maximum wager amount.

6. A sports wagering operator shall not permit any sports wagering on the premises of the licensed facility except as provided under this chapter.

7. A sports wagering device, point-of-contact sports wagering device, or sports wagering kiosk shall be approved by the commission and acquired by a sports wagering operator from a licensed supplier.

8. The commission shall determine the occupations related to sports wagering that require an occupational license, which shall not include employees who do not possess the authority or ability to alter material systems required for sports wagering in this state.

9. A sports wagering operator may lay off one or more sports wagers. The commission may promulgate rules permitting sports wagering operators or platforms to employ systems that offset loss or manage risk in the operation of sports wagering under sections 313.1000 to 313.1022 through the use of liquidity pools in other jurisdictions in which the sports wagering operator, platform, an affiliate of the sports wagering operator or platform, or a third party also holds licenses to conduct sports wagering, provided that at all times adequate protections are maintained to ensure sufficient funds are available to pay winnings to patrons.

10. A sports wagering operator shall include information and tools to assist players in making responsible decisions. The sports wagering operator shall provide at a minimum:

(1) Prominently displayed tools to set limits on the amount of time and money a player spends on any interactive sports wagering platform;

(2) Prominently displayed information regarding compulsive gambling and ways to seek treatment and support if a player believes he or she has a problem; and

(3) To a player the ability to exclude the use of certain electronic payment methods if desired by the player.

313.1010. 1. An interactive sports wagering platform operator shall offer sports wagering on behalf of a licensed facility only if the interactive sports wagering platform operator is properly licensed by the commission and has contracted with a licensed facility.

2. An applicant for an interactive sports wagering platform license shall:

(1) Submit an application to the commission in the manner prescribed by the commission to verify the platform's eligibility under this section;

(2) Pay an initial application fee, not to exceed one hundred fifty thousand dollars; and

(3) Submit to the commission a responsible gambling plan that shall include, but is not limited to:

(a) Annual training for all staff regarding the practice of responsible gambling and identifying compulsive or problem gamblers;

(b) Policies and strategies for handling situations in which players indicate they are in distress or experiencing a problem; and

(c) Policies and strategies to address third-party concerns about players' gambling behavior.

3. On or before the anniversary date of the payment of the initial application fee under this section, an interactive sports wagering platform provider holding a license issued under this section shall pay to the commission a license renewal fee, not to exceed three hundred twenty-five thousand dollars. Such funds shall be deposited into the gaming commission fund established under section 313.835.

4. Notwithstanding any other provision of law to the contrary, the following information shall be confidential and shall not be disclosed to the public unless required by court order or by any other provision of sections 313.1000 to 313.1022:

(1) Any application submitted to the commission relating to sports wagering in this state; and

(2) All documents, reports, and data submitted by an applicant relating to sports wagering in this state to the commission containing proprietary information, trade secrets, financial information, or personally identifiable information about any person.

313.1011. 1. The commission may issue a supplier's license to a sports wagering supplier.

2. A sports wagering supplier may provide its services to licensees under a fixed-fee or revenue-sharing agreement only if the supplier is properly licensed by the commission.

3. At the request of an applicant for a sports wagering supplier's license, the commission may issue a provisional license to the applicant, as long as the applicant has submitted a completed application for the license, including paying the required application fee. The commission may prescribe by rule the requirements to receive a provisional license.

4. An applicant for a sports wagering supplier's license shall disclose the identity of:

(1) The applicant's principal owners who directly own ten percent or more of the applicant;

(2) Each holding, intermediary, or parent company that directly owns fifteen percent or more of the applicant; and

(3) The applicant's chief executive officer and chief financial officer, or their equivalents, as determined by the commission.

5. Government-created entities, including statutory authorized pension investment boards and Canadian Crown corporations, that are direct or indirect shareholders of an applicant shall be waived in the applicant's disclosure of ownership and control as determined by the commission.

6. Investment funds or entities registered with the Securities and Exchange Commission (SEC), including investment advisors and entities under the management of the SEC-registered entity, that are direct or indirect shareholders of an applicant shall be waived in the applicant's disclosure of ownership and control as determined by the commission.

7. A supplier's license or provisional supplier's license shall be sufficient to provide sports wagering supplier services to licensees. A renewal fee shall be submitted biennially as determined by the commission.

313.1012. 1. A sports wagering operator shall verify that a person placing a wager is at least the legal minimum age for placing a wager under sections 313.1000 to 313.1022.

2. The commission shall establish an online method for a player to apply for placement in the self-exclusion program. Each sports wagering operator shall include a link to such application on all sports wagering platforms.

3. The commission shall adopt rules and regulations that incorporate a sports wagering self-exclusion program into the program adopted under sections 313.800 to 313.850. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2023, shall be invalid and void.

4. The commission shall adopt rules to ensure that advertisements for sports wagering:

(1) Do not knowingly target minors or other persons who are ineligible to place wagers, problem gamblers, or other vulnerable persons;

(2) Disclose the identity of the sports wagering operator;

(3) Provide information about or links to resources relating to gambling addiction;

(4) Are not otherwise false, misleading, or deceptive to a reasonable consumer;

(5) Are not included on internet sites or pages dedicated to compulsive or problem gambling; and

(6) Include responsible gambling messages and a nationally recognized problem gambling helpline number in all promotional activity.

5. The commission shall establish penalties of not less than ten thousand dollars but not more than one hundred thousand dollars for any sports wagering operator who violates the restrictions placed on advertising to persons listed in subdivision (1) of subsection 4 of this section.

313.1014. 1. The commission shall conduct background checks on individuals seeking licenses under sections 313.1000 to 313.1022. A background check conducted under this section shall include a search for criminal history and any charges or convictions involving corruption or manipulation

of sporting events. A background check under this section shall be consistent with the provisions of section 313.810.

2. (1) A sports wagering operator shall employ commercially reasonable methods to:

(a) Prohibit the sports wagering operator; directors, officers, and employees of the sports wagering operator; and any relative of an operator, director, or officer living in the same household from placing sports wagers with the sports wagering operator;

(b) Prohibit any person with access to nonpublic confidential information held by the sports wagering operator from placing sports wagers with the sports wagering operator;

(c) Prevent the sharing of confidential information that could affect sports wagering offered by the sports wagering operator or by third parties until the information is made publicly available;

(d) Prohibit persons from placing sports wagers as agents or proxies for other persons; and

(e) Prohibit the purchase or use by the sports wagering operator of any personal biometric data of an athlete, unless the sports wagering operator has received written permission from the athlete or the athlete's representative.

(2) Nothing in this section shall preclude the use of internet-based hosting or cloud-based hosting of data or any disclosure of information required by court order or other provisions of law.

3. (1) The following individuals are prohibited from engaging in sports wagering under sections 313.1000 to 313.1022:

(a) Any person whose participation may undermine the integrity of the betting or sports event; or

(b) Any person who is prohibited for other good cause including, but not limited to:

a. Any person placing a wager as an agent or proxy;

b. Any person who is an athlete, coach, referee, player, or referee personnel member in or on any sports event overseen by that person's sports governing body based on publicly available information;

c. Any person who holds a position of authority or influence sufficient to exert influence over the participants in a sporting contest including, but not limited to, coaches, managers, handlers, or athletic trainers;

d. Any person under twenty-one years of age;

e. Any person with access to certain types of exclusive information on any sports event overseen by that person's sports governing body based on publicly available information; or

f. Any person identified by any lists provided by the commission.

(2) The direct or indirect legal or beneficial owner of five percent or more of a sports governing body or any of its member teams shall not place or accept any wager on a sports event in which any member team of that sports governing body participates. Any violation of this subdivision shall

constitute disorderly conduct. Disorderly conduct under this subdivision shall be a class C misdemeanor.

(3) The provisions of subdivision (1) of this subsection shall not apply to any person who is a direct or indirect owner of a specific sports governing body member team and:

(a) Has less than five percent direct or indirect ownership interest in a casino or sports wagering operator; or

(b) The value of the ownership of such team represents less than one percent of the person's total enterprise value and such shares of such person are registered under section 12 of the Securities Exchange Act of 1934, 15 U.S.C. Section 78l, as amended.

(4) (a) A sports wagering operator shall adopt procedures to prevent wagering on sports events by persons who are prohibited from placing sports wagers.

(b) A sports wagering operator shall not knowingly accept wagers from any person whose identity is known to the operator and:

a. Whose name appears on the exclusion list maintained by the commission;

b. Who is the operator, director, officer, owner, or employee of the operator;

c. Who has access to nonpublic confidential information held by the operator; or

d. Who is an agent or proxy for any other person.

(5) An operator shall adopt procedures to obtain personally identifiable information from any individual who places any single wager of ten thousand dollars or more on a sports event while physically present at a casino.

4. Given good and sufficient reason, each of the commission and sports wagering operators shall cooperate with investigations conducted by law enforcement agencies or sports governing bodies, including providing or facilitating the provision of relevant betting information and audio or video files relating to persons placing sports wagers; except that, with respect to any such information or files disclosed by a sports wagering operator to a sports governing body, the sports governing body shall:

(1) Maintain the confidentiality of such information or files;

(2) Comply with all privacy laws applicable to such information or files; and

(3) Use the information or files solely in connection with the sports governing body's investigation.

5. A sports wagering operator shall immediately report to the commission any information relating to:

(1) Criminal or disciplinary proceedings commenced against the sports wagering operator in connection with its operations;

(2) Bets or wagers that violate state or federal law;

(3) Abnormal wagering activity or patterns that may indicate a concern regarding the integrity of a sporting event or events;

(4) Any other conduct that corrupts the wagering outcome of a sporting event or events for purposes of financial gain, including prohibited conduct as defined under section 313.1000; and

(5) Suspicious or illegal wagering activities.

A sports wagering operator shall also immediately report any information relating to conduct described in subdivision (3) or (4) of this subsection to the applicable sports governing body.

6. A sports wagering operator shall maintain the confidentiality of information provided by a sports governing body to the sports wagering operator unless disclosure is required by court order, the commission, or any other provision of law.

7. A sports governing body may submit to the commission a request in writing to restrict, limit, or exclude a type or form of sports wagering on its sporting events if such body believes that such sports wagering affects the integrity or perceived integrity of its sport. The commission may grant the request upon a showing of good cause by the applicable sports governing body. The commission shall promptly review any information provided and respond as expeditiously as practicable to the request. Prior to making a determination, the commission shall notify and consult with sports wagering operators. If the commission deems it relevant, it may also consult with any applicable independent monitoring providers or other jurisdictions. No restrictions, limitations, or exclusions of wagers shall be conducted without the express written approval of the commission. Sports wagering operators shall be notified of any restrictions, limitations, or exclusions granted by the commission.

8. (1) No sports wagering operator shall offer any sports wagers on an elementary or secondary school athletic or sporting event in which a school team from this state is a participant, or on the individual performance statistics of an athlete in an elementary or secondary school athletic or sporting event in which a school team from this state is a participant.

(2) No sports wager shall be placed on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a collegiate team from this state is a participant.

313.1016. 1. A sports wagering operator shall, for a wager that exceeds ten thousand dollars and that is placed in person by a patron, maintain the following records for a period of at least three years after the sporting event occurs:

(1) Personally identifiable information of the patron;

(2) The amount and type of bet placed;

(3) The time and date the bet was placed;

(4) The location, including specific information pertaining to the betting window or sports wagering device, where the bet was placed;

(5) The outcome of the bet; and

(6) Any discernible pattern of abnormal betting activity by the patron.

2. A licensed facility, interactive sports wagering platform operator, or sports wagering supplier where applicable, for all bets and wagers placed through an interactive sports wagering platform, shall maintain the following records for a period of at least three years after the sporting event occurs:

(1) Personally identifiable information of the patron;

(2) The amount and type of bet placed;

(3) The time and date the bet was placed;

(4) The location, including specific information pertaining to the internet protocol address, where the bet was placed;

(5) The outcome of the bet; and

(6) Any discernible pattern of abnormal betting activity by the patron.

3. A sports wagering operator shall make the records and data that it is required to maintain under this section available for inspection upon request of the commission or as required by court order.

313.1018. A sports wagering operator is not liable under the laws of this state to any party, including patrons, for disclosing information as required under sections 313.1000 to 313.1022 and is not liable for refusing to disclose information unless required under sections 313.1000 to 313.1022.

313.1021. 1. A wagering tax of fifteen percent is imposed on the adjusted gross receipts received from sports wagering conducted by a sports wagering operator under sections 313.1000 to 313.1022. If an interactive sports wagering platform operator is contracted to conduct sports wagering at a certificate holder's licensed facility that is an excursion gambling boat, or through an interactive sports wagering platform, the licensed interactive sports wagering platform operator may fulfill the certificate holder's duties under this section.

2. A certificate holder or interactive sports wagering platform operator shall remit the tax imposed by subsection 1 of this section to the department no later than one day prior to the last business day of the month following the month in which the taxes were generated. In a month when the adjusted gross receipts of a certificate holder or interactive sports wagering platform operator is a negative number, the certificate holder or interactive sports wagering platform operator may carry over the negative amount for a period of twelve months.

3. The payment of the tax under this section shall be by an electronic funds transfer by an automated clearing house.

4. Revenues received from the tax imposed under subsection 1 of this section shall be deposited in the state treasury to the credit of the gaming proceeds for education fund, which shall be distributed as provided under section 313.822.

5. (1) A licensed facility that is an excursion gambling boat shall pay to the commission an annual license renewal fee, not to exceed fifty thousand dollars. The fee imposed shall be due on the anniversary date of the issuance of the license and on each anniversary date thereafter. The commission shall deposit the annual license renewal fees received under this subdivision in the gaming commission fund established under section 313.835.

(2) In addition to the annual license renewal fee, required in this subsection, a certificate holder shall pay to the commission a fee of ten thousand dollars to cover the costs of a full reinvestigation of the certificate holder in the fourth year after the date on which the certificate holder commences sports wagering operations under sections 313.1000 to 313.1022 and on each fourth year thereafter. The commission shall deposit the fees received under this subdivision in the gaming commission fund established under section 313.835.

6. Subject to appropriation, five hundred thousand dollars shall be appropriated from the gaming commission fund created under section 313.835 and credited annually to the compulsive gamblers fund created under section 313.842. When considering the amount of funds to appropriate to the compulsive gamblers fund, the general assembly shall consider the findings and recommendations contained in the research report required under subsection 2 of section 313.842 for increased funding in excess of the five hundred thousand dollars.

313.1022. 1. All sports wagers authorized under sections 313.1000 to 313.1022 shall be deemed initiated, received, and otherwise made on the property of an excursion gambling boat within this state.

2. Only to the extent required by federal law, all servers necessary to the placement or resolution of wagers, other than backup servers, shall be physically located within a certificate holder's licensed facility that is an excursion gambling boat in the state. Consistent with the intent of the United States Congress as articulated in the Unlawful Internet Gambling Enforcement Act of 2006, 31 U.S.C. Sections 5361 to 5367, as amended, the intermediate routing of electronic data relating to lawful intrastate sports wagers authorized under sections 313.1000 to 313.1022 shall not determine the location or locations in which such wager is initiated, received, or otherwise made. This subsection shall apply only to the extent required by federal law.

Section B. Because immediate action is necessary to protect taxpayers from inflated values and rapidly increasing prices, the repeal and reenactment of section 137.115 of section A of this act is deemed necessary for the immediate preservation of the public health, welfare, peace, and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and the repeal and reenactment of section 137.115 of section A of this act shall be in full force and effect upon its passage and approval."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

In which the concurrence of the Senate is respectfully requested.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and adopted the Conference Committee Report on **HCS** for **SS** for **SB 111**, as amended, and has taken up and passed **CCS** for **HCS** for **SS** for **SB 111**.

Bill ordered enrolled.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **SCR 10**.

Concurrent resolution ordered enrolled.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and adopted the Conference Committee Report on **HCS** for **SS** for **SCS** for **SB 157**, as amended, and has taken up and passed **CCS** for **HCS** for **SS** for **SCS** for **SB 157**.

Emergency Clause Defeated.

Bill ordered enrolled.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and adopted **SCS** for **HCS** for **HBs 802**, **807**, and **886** and has taken up and passed **SCS** for **HCS** for **HBs 802**, **807**, and **886**.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **SB 34**.

Bill ordered enrolled.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **SS** for **SB 35**.

Bill ordered enrolled.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **SCS** for **SB 13**.

Bill ordered enrolled.

On motion of Senator Bernskoetter the Senate adjourned until 10:30 a.m., Tuesday, May 30, 2023.