

SECOND REGULAR SESSION

SENATE BILL NO. 1220

91ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR SIMS.

Read 1st time February 26, 2002, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

4736S.021

AN ACT

To repeal sections 313.057, 313.230 and 313.810, RSMo, relating to licensing requirements, and to enact in lieu thereof three new sections relating to the same subject, with penalty provisions.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 313.057, 313.230 and 313.810, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 313.057, 313.230 and 313.810, to read as follows:

313.057. 1. It is unlawful for any person, either as an owner, lessee or employee, to operate, carry on, conduct or maintain any form of manufacturing, selling, leasing or distribution of any bingo equipment or supplies without having first procured and maintained a Missouri bingo equipment and supplies manufacturer or supplier license.

2. The commission shall submit two sets of fingerprints for each key person, as defined in commission rules and regulations, of an entity or organization seeking issuance or renewal of a Missouri bingo equipment and supplies manufacturer or supplier license, for the purpose of checking the person's prior criminal history when the commission determines a nationwide check is warranted. The fingerprint cards and any required fees shall be sent to the Missouri state highway patrol's criminal records division. The first set of fingerprints shall be used for searching the state repository of criminal history information. The second set of fingerprints shall be forwarded to the Federal Bureau of Investigation, Identification Division, for the searching of the federal criminal history files. The patrol shall notify the commission

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

of any criminal history information or lack of criminal history information discovered on the individual. Notwithstanding the provisions of section 610.120, RSMo, all records related to any criminal history information discovered shall be accessible and available to the commission.

[2.] **3.** The holder of a state bingo license may, within two years of cessation of conducting bingo or upon specific approval by the commission, dispose of by sale in a manner approved by the commission, any or all of his bingo equipment and supplies, without a supplier's license. In case of foreclosure of a lien by a bank or other person holding a security interest for which bingo equipment is security in whole or in part for the lien, the commission may authorize the disposition of the bingo equipment without requiring a supplier's license.

[3.] **4.** Any person whom the commission determines to be a suitable person to receive a license [under] **pursuant to** the provisions of this section may be issued a manufacturer's or supplier's license. The commission may require suppliers to post a bond with the commission in an amount and in the manner prescribed by the commission. The burden of proving his qualification to receive or hold a license [under] **pursuant to** this section is at all times on the applicant or licensee.

[4.] **5.** The commission shall charge and collect from each applicant for a supplier's license a one-time application fee set by the commission, not to exceed five thousand dollars. The commission shall charge and collect an annual renewal fee for each supplier licensee not to exceed one thousand dollars.

[5.] **6.** The commission shall charge and collect from each applicant for a manufacturer's license a one-time application fee set by the commission, not to exceed one thousand dollars. The commission shall charge and collect an annual renewal fee for each manufacturer licensee not to exceed five hundred dollars.

[6.] **7.** The commission shall charge and collect from each applicant for a hall provider's license a one-time application fee set by the commission, not to exceed seven hundred fifty dollars. The commission shall charge and collect an annual renewal fee for each hall provider licensee not to exceed five hundred dollars.

[7.] **8.** All licenses issued [under] **pursuant to** this section shall be issued for the calendar year and shall expire on December thirty-first of each year. Regardless of the date of application or issuance of the license, the fee to be charged and collected [under] **pursuant to** this section shall be the full annual fee.

[8.] **9.** All license fees collected pursuant to this section shall be paid over immediately to the state treasurer to be deposited to the credit of the gaming commission bingo fund.

[9.] **10.** All licensees [under] **pursuant to** this section shall maintain for a period of not less than three years full and complete records of all business carried on in this state and shall make same available for inspection to any duly authorized representative of the commission. If

a supplier does not receive payment in full from an organization within thirty days of the delivery of bingo supplies, the supplier shall notify the commission in writing, or in a manner specified by the commission in its rules and regulations, of the delinquency. Upon receipt of the notice of delinquency, the commission shall notify all suppliers that until further notice from the commission, all sales of bingo supplies to the delinquent organizations shall be on a cash-only basis. Upon receipt of the notice from the commission, no supplier may extend credit to the delinquent organization until such time as the commission approves credit sales. If a manufacturer does not receive payment in full from a supplier within ninety days of the delivery of bingo supplies, the manufacturer shall notify the commission in writing, or in a manner specified by the commission in its rules and regulations, of the delinquency. Upon receipt of the notice of delinquency, the commission shall notify all manufacturers that until further notice from the commission, all sales of bingo supplies to the delinquent supplier shall be on a cash-only basis. Upon receipt of the notice from the commission, no manufacturer may extend credit to the delinquent supplier until such time as the commission approves credit sales.

[10.] **11.** Until January 1, 1995, all suppliers shall pay a tax on all pull-tab cards distributed by them in the amount of ten dollars per box when sold by any organization licensed to conduct bingo **[under] pursuant to** the provisions of sections 313.005 to 313.080. No box sold shall contain more than twenty-four hundred pull-tab cards. Beginning January 1, 1995, a tax is hereby imposed in the amount of two percent of the gross receipts of the retail sales value charged for each pull-tab card sold in Missouri to be paid by the supplier. The taxes, less two percent of the total amount paid which may be retained by the supplier, if timely filed and paid, shall be paid on a monthly basis to the commission by each supplier of pull-tabs and shall be due on the last day of each month following the month in which the pull-tabs were sold. The taxes shall be deposited in the state treasury, credited to the bingo proceeds for education fund. All pull-tab cards sold by suppliers in this state shall bear on the face thereof the amount for which such pull-tab cards will be sold, and the license number of the supplier shall be printed on the inventory statement commonly called the flare, enclosed in each unit container. Each unit container shall contain cards printed in such a manner as to ensure that at least sixty percent of the gross revenues generated by the ultimate sale of such cards shall be returned to the final purchasers of such cards. Any supplier who fails to pay the tax imposed **[under] pursuant to** this subsection shall have his license issued **[under] pursuant to** this section revoked and shall be guilty of a class A misdemeanor.

313.230. The commission shall:

(1) Issue rules and regulations concerning the operation of the Missouri state lottery. The rules and regulations shall include, but shall not be limited to, the following:

(a) The type of lottery to be conducted, except no lottery may use any coin- or token-operated amusement device and no lottery game shall be based in any form on the outcome

of sporting events. However, it shall be legal to use clerk- or player-activated terminals, which are coin- or currency-operated, to dispense lottery tickets;

(b) The price, or prices, of tickets or shares in the lottery;

(c) The numbers and sizes of the prizes on the winning tickets or shares;

(d) The manner of selecting the winning tickets or shares;

(e) The manner of payment of prizes to the holders of winning tickets or shares;

(f) The frequency of the drawings or selections of winning tickets or shares, without limitation;

(g) The types or numbers of locations at which tickets or shares may be sold and the method to be used in selling tickets or shares;

(h) The method to be used in selling tickets or shares;

(i) The licensing of lottery game retailers to sell tickets or shares;

(j) The manner and amount of compensation, including commissions, ticket discounts, incentives and any other remuneration, to be paid to or retained by lottery game retailers;

(k) The apportionment of the total revenues accruing from the sale of lottery tickets or shares and from all other sources among:

a. The payment of prizes to the holders of winning tickets or shares;

b. The payment of costs incurred in the operation and administration of the lottery, including the expenses of the commission and the costs resulting from any contract or contracts entered into for promotional, advertising or operational services or for the purchase or lease of lottery equipment and materials;

c. For the repayment to the general revenue fund of any amount appropriated for initial start-up of the lottery; and

d. For timely transfer to the state lottery fund as provided by law;

(l) Such other matters necessary or desirable for the efficient and economical operation and administration of the lottery and for the convenience of the purchasers of tickets or shares and the holders of winning tickets or shares. The commission may disburse money for payment of lottery prizes;

(2) Amend, repeal, or supplement any such rules and regulations from time to time as it deems necessary or desirable;

(3) Advise and make recommendations to the director regarding the operation and administration of the lottery;

(4) Report quarterly to the governor and the general assembly the total lottery revenues, prize disbursements and other expenses for the preceding quarter, and to make an annual report, which shall include a full and complete statement of lottery revenues, prize disbursements and other expenses, to the governor and the general assembly, and including such recommendations for changes in sections 313.200 to 313.350 as it deems necessary or desirable;

(5) Report to the governor and general assembly any matters which shall require immediate changes in the laws of this state in order to prevent abuses and evasions of sections 313.200 to 313.350 or rules and regulations promulgated thereunder or to rectify undesirable conditions in connection with the administration or operation of the lottery;

(6) Carry on a continuous study and investigation of the lottery throughout the state and to make a continuous study and investigation of the operation and the administration of similar laws which may be in effect in other states or countries, any literature on the subject which from time to time may be published or available, any federal laws which may affect the operation of the lottery, and the reaction of Missouri citizens to existing and potential features of the lottery with a view to recommending or effecting changes that will tend to serve the purposes of sections 313.200 to 313.350;

(7) Ensure that all employees of the state lottery commission hired after July 12, 1990, shall not be related to any member of the state lottery commission or any employee of the state lottery commission within the third degree of consanguinity or affinity;

(8) The commission shall require a background check on any person: seeking employment with the commission; seeking a license or renewal of a license as a lottery retailer; or, seeking contract or contract renewal with the commission. The background check shall include a criminal history check of the person to include but not be limited to a check of the Missouri criminal records repository and the Federal Bureau of Investigation's criminal records file. To facilitate a criminal history check when the commission deems a criminal record check is warranted, the commission shall submit two sets of fingerprints to the Missouri criminal records repository in a manner and format approved by the Missouri criminal records repository. The first set of fingerprints shall be used for searching the state repository of criminal history information. The second set of fingerprints shall be forwarded to the Federal Bureau of Investigation, Identification Division, for the searching of federal criminal history files. The Missouri criminal records repository shall notify the commission of the results of the criminal history check. Notwithstanding the provisions of section 610.120, RSMo, the commission shall have access to open and closed criminal history information. The criminal history information received by the commission shall only be used for the purpose for which it was obtained and shall not be disseminated to anyone not having rightful access to the information for the purpose for which it was obtained.

313.810. 1. A person shall not be issued a license to conduct gambling games on an excursion gambling boat or a license to operate an excursion gambling boat, an occupational license, or a supplier license unless the person has completed and signed an application on the form prescribed and published by the commission. The application shall include the full name,

residence, date of birth and other personal identifying information as the commission deems necessary, including but not limited to, the information specified in section 313.847. The application shall also indicate whether the applicant has [either] **any** of the following:

- (1) A record of conviction of a felony; or
- (2) A current addiction to a controlled substance.

2. [An applicant for a license shall submit pictures and fingerprints to the commission in the manner prescribed on the application forms.] **The commission shall submit two sets of fingerprints for any person seeking employment with the commission or any person who is seeking the issuance or renewal of a license issued by the commission, for the purpose of checking the person's prior criminal history when the commission determines a nationwide check is warranted. The fingerprint cards and any required fees shall be sent to the Missouri state highway patrol's criminal records division. The first set of fingerprints shall be used for searching the state repository of criminal history information. The second set of fingerprints shall be forwarded to the Federal Bureau of Investigation, Identification Division, for the searching of the federal criminal history files. The patrol shall notify the commission of any criminal history information or lack of criminal history information discovered on the individual. Notwithstanding the provisions of section 610.120, RSMo, all records related to any criminal history information discovered shall be accessible and available to the commission.**

3. It is the burden of the applicant to show by clear and convincing evidence his suitability as to character, experience and other factors as may be deemed appropriate by the commission.

4. Before a license is granted, the commission shall conduct a thorough investigation of the applicant for a license to operate a gambling game operation on an excursion gambling boat. The applicant shall provide information on a form as required by the commission.

5. A person who knowingly makes a false statement on an application is guilty of a class A misdemeanor and shall not ever again be considered for application by the commission.

6. The licensee shall permit the commission or commission employees designated to inspect the licensee or holder's person, personal property, excursion gambling boat and effects at any time.