

FIRST REGULAR SESSION

SENATE BILL NO. 386

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR LOUDON.

Read 1st time February 21, 2005, and ordered printed.

TERRY L. SPIELER, Secretary.

0414S.03I

AN ACT

To repeal section 313.812, RSMo, and to enact in lieu thereof six new sections relating to a comprehensive legal and factual study of pathological or serious problem gambling and problem gambling in this state.

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

Section A. Section 313.812, RSMo, is repealed and six new sections enacted in lieu thereof, to be known as sections 313.812, 313.950, 313.951, 313.953, 313.956, and 313.959, to read as follows:

313.812. 1. The commission may issue licenses pursuant to subsection 1 of section 313.807 when it is satisfied that the applicant has complied with all rules and regulations, including an update of all information provided to the commission in the licensee's initial application. **The total number of excursion gambling boat licenses which may be issued and current at any given time shall be eleven until such time as the university study required by section 313.953 is submitted to the governor and the general assembly. In the event eleven such licenses have been issued and are current and a current excursion gambling boat license expires, the commission may renew such license or may issue a new license to a suitable applicant. In the event eleven such licenses have been issued and are current and a current excursion gambling boat license is forfeited by the licensee or is revoked by the board or commission, the commission may thereafter issue a new license to a suitable applicant. The commission shall not issue any excursion gambling boat licenses in the event eleven such licenses have been issued and no such licenses have yet expired, or been forfeited or revoked until such time as the university study required by section 313.953 is submitted to the governor and the general assembly.** The commission shall decide the number, location and type of excursion gambling boat in a city or county under subsection 10 of this section. The license shall set forth the name of the licensee, the type of license granted, the place where the excursion gambling

boat will operate and dock, including the docking of an excursion gambling boat which is continuously docked, and other information the commission deems appropriate. The commission shall have the ultimate responsibility of deciding the number, location, and type of excursion gambling boats licensed in a city or county; however, any city or county which has complied with the provisions of subsection 10 of this section shall submit to the commission a plan outlining the following:

- (1) The recommended number of licensed excursion gambling boats operating in such city or county;
- (2) The recommended licensee or licensees operating in such city or county;
- (3) The community's economic development or impact and affirmative action plan concerning minorities' and women's ownership, contracting and employment for the waterfront development;
- (4) The city or county proposed sharing of revenue with any other municipality;
- (5) Any other information such city or county deems necessary; and
- (6) Any other information the commission may determine is necessary.

The commission shall provide for due dates for receiving such plan from the city or county.

2. A license to operate an excursion gambling boat shall only be granted to an applicant upon the express conditions that:

(1) The applicant shall not, by a lease, contract, understanding, or arrangement of any kind, grant, assign, or turn over to a person the operation of an excursion gambling boat licensed under this section or of the system of wagering described in section 313.817. This section does not prohibit a management contract with a person licensed by the commission; and

(2) The applicant shall not in any manner permit a person other than the licensee and the management licensee to have a share, percentage, or proportion of the money received for admissions to the excursion gambling boat.

3. The commission shall require, as a condition of granting a license, that an applicant operate an excursion gambling boat which, as nearly as practicable, resembles or is a part of Missouri's or the home dock city's or county's riverboat history.

4. The commission shall encourage through its rules and regulations the use of Missouri resources, goods and services in the operation of any excursion gambling boat.

5. The excursion gambling boat shall provide for nongaming areas, food service and a Missouri theme gift shop. The amount of space used for gaming shall be determined in accordance with all rules and regulations of the commission and the United States Coast Guard safety regulations.

6. A license to operate gambling games or to operate an excursion gambling boat shall not be granted unless the applicant has, through clear and convincing evidence, demonstrated financial responsibility sufficient to meet adequately the requirements of the proposed

enterprise.

7. Each applicant shall establish by clear and convincing evidence its fitness to be licensed. Without limitation, the commission may deny a license based solely on the fact that there is evidence that any of the following apply:

(1) The applicant has been suspended from operating an excursion gambling boat or a game of chance or gambling operation in another jurisdiction by a board or commission of that jurisdiction;

(2) The applicant is not the true owner of the enterprise proposed;

(3) The applicant is not the sole owner, and other persons have ownership in the enterprise, which fact has not been disclosed;

(4) The applicant is a corporation that is not publicly traded and ten percent or more of the stock of the corporation is subject to a contract or option to purchase at any time during the period for which the license is to be issued unless the contract or option was disclosed to the commission and the commission approved the sale or transfer during the period of the license;

(5) The applicant has knowingly made a false statement of a material fact to the commission; or

(6) The applicant has failed to meet a valid, bona fide monetary obligation in connection with an excursion gambling boat.

8. A license shall not be granted if the applicant has not established his good repute and moral character or if the applicant has pled guilty to, or has been convicted of, a felony. No licensee shall employ or contract with any person who has pled guilty to, or has been convicted of, a felony to perform any duties directly connected with the licensee's privileges under a license granted pursuant to this section, except that employees performing nongaming related occupations as determined by the commission shall be exempt from the requirements of this subsection.

9. A licensee shall not lend to any person money or any other thing of value for the purpose of permitting that person to wager on any gambling game authorized by law. This does not prohibit credit card or debit card transactions or cashing of checks. Any check cashed must be deposited within twenty-four hours. The commission may require licensees to verify a sufficient account balance exists before cashing any check. Any licensee who violates the provisions of this subsection shall be subject to an administrative penalty of five thousand dollars for each violation. Such administrative penalties shall be assessed and collected by the commission.

10. Gambling excursions including the operation of gambling games on an excursion gambling boat which is not continuously docked shall be allowed only on the Mississippi River and the Missouri River. No license to conduct gambling games on an excursion gambling boat in a city or county shall be issued unless and until the qualified voters of the

city or county approve such activities pursuant to this subsection. The question shall be submitted to the qualified voters of the city or county at a general, primary or special election upon the motion of the governing body of the city or county or upon the petition of fifteen percent of the qualified voters of the city or county determined on the basis of the number of votes cast for governor in the city or county at the last election held prior to the filing of the petition. The question shall be submitted in substantially the following form:

Shall the City (County) of allow the licensing of excursion gambling boats or floating facilities as now or hereafter provided by Missouri gaming law in the city (county)?

YES

NO

If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the question, then the commission may license excursion gambling boats in that city or county and such boats may operate on the Mississippi River and the Missouri River. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the question, then the commission shall not license such excursion gambling boats in such city or county unless and until the question is again submitted to and approved by a majority of the qualified voters of the city or county at a later election.

Excursion gambling boats may only dock in a city or unincorporated area of a county which approves licensing of such excursion gambling boats pursuant to this subsection, but gambling operations may be conducted at any point on the Mississippi River or the Missouri River during an excursion. Those cities and counties which have approved by election pursuant to this subsection, except those cities or counties which have subsequently rejected by election, the licensing of any type of excursion gambling boats in the city or county prior to April 6, 1994, are exempt from any local election requirement of this section as such previous election shall have the same effect as if held after May 20, 1994.

11. If a docking fee is charged by a city or a county, a licensee operating an excursion gambling boat shall pay the docking fee prior to the start of the excursion season.

12. Any licensee shall not be delinquent in the payment of property taxes or other taxes or fees or in the payment of any other contractual obligation or debt due or owed to the state or a political subdivision of the state.

13. An excursion gambling boat licensed by the state shall meet all of the requirements of chapter 306, RSMo, and is subject to an inspection of its sanitary facilities to protect the environment and water quality by the commission or its designee before a license to operate an excursion gambling boat is issued by the commission. Licensed excursion gambling boats shall also be subject to such inspections during the period of the license as may be deemed necessary by the commission. The cost of such inspections shall be paid by the licensee.

14. A holder of any license shall be subject to imposition of penalties, suspension or

revocation of such license, or if the person is an applicant for licensure, the denial of the application, for any act or failure to act by himself or his agents or employees, that is injurious to the public health, safety, morals, good order and general welfare of the people of the state of Missouri, or that would discredit or tend to discredit the Missouri gaming industry or the state of Missouri unless the licensee proves by clear and convincing evidence that it is not guilty of such action. The commission shall take appropriate action against any licensee who violates the law or the rules and regulations of the commission. Without limiting other provisions of this subsection, the following acts or omissions may be grounds for such discipline:

(1) Failing to comply with or make provision for compliance with sections 313.800 to 313.850, the rules and regulations of the commission or any federal, state or local law or regulation;

(2) Failing to comply with any rule, order or ruling of the commission or its agents pertaining to gaming;

(3) Receiving goods or services from a person or business entity who does not hold a supplier's license but who is required to hold such license by the provisions of sections 313.800 to 313.850 or the rules and regulations of the commission;

(4) Being suspended or ruled ineligible or having a license revoked or suspended in any state of gaming jurisdiction;

(5) Associating with, either socially or in business affairs, or employing persons of notorious or unsavory reputation or who have extensive police records, or who have failed to cooperate with any officially constituted investigatory or administrative body and would adversely affect public confidence and trust in gaming;

(6) Employing in any gambling games' operation or any excursion gambling boat operation, any person known to have been found guilty of cheating or using any improper device in connection with any gambling game;

(7) Use of fraud, deception, misrepresentation or bribery in securing any permit or license issued pursuant to sections 313.800 to 313.850;

(8) Obtaining or attempting to obtain any fee, charge, or other compensation by fraud, deception, or misrepresentation;

(9) Incompetence, misconduct, gross negligence, fraud, misrepresentation or dishonesty in the performance of the functions or duties regulated by sections 313.800 to 313.850.

313.950. As used in sections 313.950 to 313.959, the following terms mean:

(1) "Committee", joint committee on gaming and wagering;

(2) "Department", the department within the selected university which supervises and administers the conduct of the study;

(3) "Director", the study director appointed by the dean or other managing

director of the department;

(4) "University", any university located within the state of Missouri.

313.951. 1. The committee shall solicit competitive bids from universities to conduct a comprehensive legal and factual study of pathological or serious problem gambling and problem gambling in this state.

2. For at least three weeks, the committee shall solicit bids by mail or other reasonable method that is available to all universities in this state. The committee may also solicit for bids by advertising in newspapers of general circulation in areas where universities are located for at least two weeks. All solicitations for bids shall contain the date by which bids are due, as well as information concerning the questions to be addressed in the study.

3. After the bidding is closed, the committee shall choose the best and lowest bid. The selected university must demonstrate its ability to answer the study questions contained in subsection 2 of section 313.953. The primary consideration regarding the quality of any bid shall be the academic and professional qualifications of the economists and social scientists on the research team and their capability to deliver the best data, especially in answers to questions (1) and (2) in subsection 2 of section 313.953.

313.953. 1. The selected university shall conduct a comprehensive study of the economic and social impact of pathological or serious problem gambling and problem gambling in this state. The study shall include a review of existing policies and practices with respect to the prevention and treatment of pathological or serious problem gambling and problem gambling and shall formulate and propose necessary and appropriate changes in those policies and practices. The selected university may seek the cooperation of any agency within the state of Missouri or within any other state in obtaining information regarding any aspect or effect of pathological or serious problem gambling and problem gambling.

2. The study shall include, but is not limited to:

(1) The economic impact of pathological or serious problem gambling and problem gambling on the state of Missouri and on the political subdivisions of this state:

(a) An assessment of the percentage of residents of this state that are pathological or serious problem gamblers;

(b) The median age of pathological or serious problem gamblers and problem gamblers;

(c) A determination of how much money an individual pathological or serious problem gambler costs society each year in terms of crimes, bankruptcy, other bad debts, prosecution, and incarceration costs and other social service

costs; and the total amount of money lost annually by pathological or serious problem gamblers in this state;

(2) The economic impact of pathological or serious problem gambling on other businesses, including at least theft and lost revenues;

(3) An assessment of the relationship between pathological or serious problem gambling and crime;

(4) An assessment of the impact of pathological or serious problem gambling on individuals, families, social institutions, criminal activity, and the economy;

(5) A review of the demographics of pathological or serious problem gamblers; and

(6) A review of the costs and effectiveness of state and federal gambling regulatory policy.

3. The university shall complete its study and submit its final report to the governor and the general assembly not later than January 31, 2008. The final report shall contain a detailed statement of the findings and conclusions of the university with its recommendations for legislation and administrative actions as the university deems appropriate.

313.956. 1. The director may hold hearings, administer oaths, take testimony, receive evidence, and require by subpoena the attendance and testimony of witnesses and the production of materials as the director considers advisable to carry out the purposes of sections 313.950 to 313.959. A subpoena of the director shall be served in the manner provided for a subpoena issued by a circuit court pursuant to Missouri rules of civil procedure. A subpoena may be served anywhere in the judicial district in which the person required to be served resides or may be found. A subpoena shall state the time and place a person is required to appear, be signed by the director, and be attested to by the director.

2. Upon request of the director, the head of any state agency shall furnish the director with the information considered necessary by the director to carry out the provisions of sections 313.950 to 313.959.

3. The director shall appoint and terminate the employment of any additional personnel as may be necessary to carry out the study.

313.959. 1. Up to two hundred thousand dollars shall be appropriated to the selected university to fund the study pursuant to sections 313.950 to 313.959.

2. Any money appropriated for the purposes of sections 313.950 to 313.959, which remains unused as of January 1, 2008, shall be transferred and placed to the credit of the state general revenue fund pursuant to section 33.080, RSMo.

Unofficial

Bill

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