

FIRST REGULAR SESSION

# SENATE BILL NO. 195

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOSKINS.

Pre-filed December 20, 2018, and ordered printed.

ADRIANE D. CROUSE, Secretary.

1092S.011

## AN ACT

To repeal sections 313.230 and 313.800, RSMo, and to enact in lieu thereof two new sections relating to wagering on certain sporting events.

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

Section A. Sections 313.230 and 313.800, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 313.230 and 313.800, to read as follows:

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;

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

- 19 (h) The method to be used in selling tickets or shares;
- 20 (i) The licensing of lottery game retailers to sell tickets or shares;
- 21 (j) The manner and amount of compensation, including commissions,  
22 ticket discounts, incentives and any other remuneration, to be paid to or retained  
23 by lottery game retailers;
- 24 (k) The apportionment of the total revenues accruing from the sale of  
25 lottery tickets or shares and from all other sources among:
- 26 a. The payment of prizes to the holders of winning tickets or shares;
- 27 b. The payment of costs incurred in the operation and administration of  
28 the lottery, including the expenses of the commission and the costs resulting from  
29 any contract or contracts entered into for promotional, advertising or operational  
30 services or for the purchase or lease of lottery equipment and materials;
- 31 c. For the repayment to the general revenue fund of any amount  
32 appropriated for initial start-up of the lottery; and
- 33 d. For timely transfer to the state lottery fund as provided by law;
- 34 (l) Such other matters necessary or desirable for the efficient and  
35 economical operation and administration of the lottery and for the convenience  
36 of the purchasers of tickets or shares and the holders of winning tickets or  
37 shares. The commission may disburse money for payment of lottery prizes;
- 38 (2) Amend, repeal, or supplement any such rules and regulations from  
39 time to time as it deems necessary or desirable;
- 40 (3) Advise and make recommendations to the director regarding the  
41 operation and administration of the lottery;
- 42 (4) Report quarterly to the governor and the general assembly the total  
43 lottery revenues, prize disbursements and other expenses for the preceding  
44 quarter, and to make an annual report, which shall include a full and complete  
45 statement of lottery revenues, prize disbursements and other expenses, to the  
46 governor and the general assembly, and including such recommendations for  
47 changes in sections 313.200 to 313.350 as it deems necessary or desirable;
- 48 (5) Report to the governor and general assembly any matters which shall  
49 require immediate changes in the laws of this state in order to prevent abuses  
50 and evasions of sections 313.200 to 313.350 or rules and regulations promulgated  
51 thereunder or to rectify undesirable conditions in connection with the  
52 administration or operation of the lottery;
- 53 (6) Carry on a continuous study and investigation of the lottery  
54 throughout the state and to make a continuous study and investigation of the

55 operation and the administration of similar laws which may be in effect in other  
56 states or countries, any literature on the subject which from time to time may be  
57 published or available, any federal laws which may affect the operation of the  
58 lottery, and the reaction of Missouri citizens to existing and potential features of  
59 the lottery with a view to recommending or effecting changes that will tend to  
60 serve the purposes of sections 313.200 to 313.350;

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

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

3 (1) "Adjusted gross receipts", the gross receipts from licensed gambling  
4 games and devices less winnings paid to wagerers;

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

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

10 (4) "Capital, cultural, and special law enforcement purpose expenditures"  
11 shall include any disbursement, including disbursements for principal, interest,  
12 and costs of issuance and trustee administration related to any indebtedness, for  
13 the acquisition of land, land improvements, buildings and building improvements,  
14 vehicles, machinery, equipment, works of art, intersections, signing, signalization,  
15 parking lot, bus stop, station, garage, terminal, hanger, shelter, dock, wharf, rest  
16 area, river port, airport, light rail, railroad, other mass transit, pedestrian  
17 shopping malls and plazas, parks, lawns, trees, and other landscape, convention  
18 center, roads, traffic control devices, sidewalks, alleys, ramps, tunnels, overpasses  
19 and underpasses, utilities, streetscape, lighting, trash receptacles, marquees,  
20 paintings, murals, fountains, sculptures, water and sewer systems, dams,  
21 drainage systems, creek bank restoration, any asset with a useful life greater  
22 than one year, cultural events, and any expenditure related to a law enforcement  
23 officer deployed as horse-mounted patrol, school resource or drug awareness  
24 resistance education (D.A.R.E) officer;

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

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

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

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

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

48 (10) "Fiscal year" shall for the purposes of subsections 3 and 4 of section  
49 313.820 mean the fiscal year of a home dock city or county;

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

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

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

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

61 (15) "Games of skill", any gambling game in which there is an opportunity  
62 for the player to use his or her reason, foresight, dexterity, sagacity, design,

63 information or strategy to favorably increase the player's expected return;  
64 including, but not limited to, the gambling games known as "poker", "blackjack"  
65 (twenty-one), "craps", "Caribbean stud", "pai gow poker", "Texas hold'em", "double  
66 down stud", and any video representation of such games;

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

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

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

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

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

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

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

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

94 All testimony shall be given under oath or affirmation. Any citizen of this state  
95 shall have the opportunity to testify on the merits of the petition. The  
96 commission may subpoena witnesses to offer expert testimony. Upon conclusion  
97 of the hearing, the commission shall evaluate the record of the hearing and issue  
98 written findings of fact that shall be based exclusively on the evidence and on

99 matters officially noticed. The commission shall then render a written decision  
100 on the merits which shall contain findings of fact, conclusions of law and a final  
101 commission order. The final commission order shall be within thirty days of the  
102 hearing. Copies of the final commission order shall be served on the petitioner  
103 by certified or overnight express mail, postage prepaid, or by personal delivery.

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