

FIRST REGULAR SESSION

SENATE BILL NO. 327

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR LUETKEMEYER.

Read 1st time January 31, 2019, and ordered printed.

ADRIANE D. CROUSE, Secretary.

1616S.03I

AN ACT

To repeal sections 143.071 and 313.800, RSMo, and to enact in lieu thereof twenty-two new sections relating to gaming, with penalty provisions.

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

Section A. Sections 143.071 and 313.800, RSMo, are repealed and twenty-two new sections enacted in lieu thereof, to be known as sections 143.071, 313.425, 313.427, 313.429, 313.431, 313.433, 313.435, 313.437, 313.800, 313.1000, 313.1002, 313.1004, 313.1006, 313.1008, 313.1010, 313.1012, 313.1014, 313.1016, 313.1018, 313.1019, 313.1020, and 313.1022, to read as follows:

143.071. 1. For all tax years beginning before September 1, 1993, a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to five percent of Missouri taxable income.

2. For all tax years beginning on or after September 1, 1993, and ending on or before December 31, 2019, a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to six and one-fourth percent of Missouri taxable income.

3. For all tax years beginning on or after January 1, 2020, a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to four percent of Missouri taxable income.

4. **(1) Beginning with the tax year beginning on or after January 1, 2020, the tax imposed under this section may be reduced in increments of one percent, as provided under subdivision (2) of this subsection.**

(2) A reduction shall not be made under this subsection unless the aggregate amount of revenue received under the provisions of

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

17 sections 313.425 to 313.437 and sections 313.1000 to 313.1022 in a single
18 fiscal year equals or exceeds fifty million dollars. For each fifty million
19 dollars of revenue collected under the provisions of sections 313.425 to
20 313.437 and sections 313.1000 to 313.1022 in excess of the threshold
21 established under this subdivision during the same fiscal year, the tax
22 imposed under this section shall be further reduced by one percent. No
23 reduction shall be made under this subsection that results in a tax
24 imposed under this section that is less than two percent.

25 (3) The modification of the tax rate under this subsection shall
26 only apply to tax years that begin on or after the date the modification
27 takes effect.

28 5. The provisions of this section shall not apply to out-of-state businesses
29 operating under sections 190.270 to 190.285.

313.425. Sections 313.425 to 313.437 shall be known and may be
2 cited as the "Missouri Video Lottery Control Act" and shall establish the
3 regulatory framework for the use of player-activated video terminals
4 for the conduct of lottery games.

313.427. As used in sections 313.425 to 313.437, the following
2 words and phrases shall mean:

3 (1) "Bar", any licensed retail establishment where alcoholic
4 liquor is drawn, poured, mixed, or otherwise served for consumption on
5 the premises, whether the establishment operates on a nonprofit or for-
6 profit basis, and where patrons under twenty-one years old are not
7 permitted on the premises;

8 (2) "Commission" or "lottery commission", the five-member body
9 appointed by the governor to manage and oversee the lottery under
10 section 313.215;

11 (3) "Credit", one cent, five cents, ten cents, or twenty-five cents
12 either won or purchased by a player;

13 (4) "Establishment", any establishment that is or becomes
14 licensed as a bar under chapter 311 to sell liquor by the drink at retail,
15 or that is a truck stop establishment, veterans establishment, or
16 fraternal establishment;

17 (5) "Fraternal establishment", the location at which a fraternal
18 organization that derives its charter from a national fraternal
19 organization regularly meets;

20 (6) "Truck stop establishment", any establishment that:

21 (a) Is equipped with diesel islands used for fueling commercial
22 motor vehicles;

23 (b) Has sold or is projected to sell on average ten thousand
24 gallons of diesel or biodiesel fuel each month for the previous twelve
25 months;

26 (c) Has parking spaces dedicated for commercial motor vehicles;

27 (d) Has a convenience store; and

28 (e) Is situated on a parcel of land of not less than two acres that
29 the truck stop establishment owns or leases;

30 (7) "Veterans establishment", the location where a veterans
31 organization that derives its charter from a national veterans
32 organization regularly meets;

33 (8) "Video lottery game adjusted gross receipts", the total of cash
34 or cash equivalents used for the play of a video lottery game on a video
35 lottery game terminal minus cash or cash equivalent paid to players as
36 a result of playing video lottery games on a video lottery game
37 terminal;

38 (9) "Video lottery game distributor", a person licensed by the
39 commission to buy, sell, lease, rent, finance or otherwise provide,
40 distribute or service video lottery game terminals or major parts and
41 components of video lottery game terminals, including used or
42 refurbished video lottery game terminals to and from licensed video
43 lottery game manufacturers and licensed video lottery game operators;

44 (10) "Video lottery game handler", a person employed by a
45 licensed video lottery game operator to handle, place, operate, and
46 service video lottery game terminals and associated equipment;

47 (11) "Video lottery game manufacturer", any person that
48 manufactures video lottery game terminals or major parts and
49 components for video lottery game terminals as approved by the lottery
50 commission;

51 (12) "Video lottery game operator", a person licensed by the
52 commission that owns, rents, or leases and services or maintains video
53 lottery game terminals for placement in licensed video lottery retailer
54 establishments;

55 (13) "Video lottery game retailer", a person meeting the
56 requirements of a lottery game retailer under section 313.260 and
57 possessing a license to sell liquor, including fraternal establishments,

58 veterans establishments, truck stop establishments, and bars, with
59 whom a licensed video lottery game operator has contracted for the
60 placement of a video lottery game terminal or terminals;

61 (14) "Video lottery game terminal", player-activated terminal that
62 exchanges coins, currency, tickets, ticket vouchers or other electronic
63 payment methods approved by the commission for video lottery game
64 terminal credits used to play video lottery games approved by the
65 commission. Such video lottery game terminals shall use a video
66 display and microprocessor capable of randomly generating the
67 outcome of video lottery games and be capable of printing a ticket at
68 the conclusion of any video lottery game play that is redeemable at a
69 video lottery game ticket redemption terminal or reinserted into a
70 video lottery game terminal for video lottery game credit. All video
71 lottery games approved by the commission for play on a video lottery
72 game terminal shall have a minimum theoretical payout of eighty-five
73 percent;

74 (15) "Voucher" or "ticket", a document printed at the conclusion
75 of any lottery game play or group of plays on a video lottery game
76 terminal that is redeemable utilizing a video lottery game ticket
77 redemption terminal in the establishment for which it was issued;

78 (16) "Video lottery game ticket redemption terminal", the
79 collective hardware, software, communications technology, and other
80 ancillary equipment used to facilitate the payment of tickets cashed out
81 by players as a result of playing a video lottery game terminal.

313.429. 1. The commission shall implement a system of video
2 lottery game terminals utilizing a licensing structure for processing
3 license applications and issuing licenses to video lottery game
4 manufacturers, video lottery game distributors, video lottery game
5 operators, video lottery game handlers, and video lottery game retailers
6 for the conduct of lottery games utilizing video lottery game terminals
7 within the state; except that, a person licensed as a:

8 (1) Video lottery game manufacturer or a video lottery game
9 distributor shall not be issued a license as a video lottery game
10 operator or a video lottery game retailer;

11 (2) Video lottery game operator shall not be issued a license as
12 a video lottery game manufacturer, a video lottery game distributor, or
13 video lottery game retailer; and

14 **(3) Video lottery game retailer shall not be issued a license as a**
15 **video lottery game manufacturer, a video lottery game distributor, or**
16 **video lottery game operator.**

17 **Nothing in this subsection shall prevent a video lottery game**
18 **manufacturer from obtaining a video lottery game manufacturer's**
19 **license and a video lottery game distributor's license and providing and**
20 **operating the centralized system for monitoring video lottery game**
21 **terminals.**

22 **2. Under no circumstances shall the commission:**

23 **(1) Authorize or allow a single vendor or licensee to implement**
24 **the system of video lottery game terminals created under this section;**
25 **or**

26 **(2) Allow a single licensed video lottery game operator to control**
27 **or operate more than thirty-three percent of video lottery game**
28 **terminals in the state.**

29 **3. (1) The video lottery game system authorized by this section**
30 **shall allow for multiple video lottery game manufacturers, video lottery**
31 **game distributors, and video lottery game operators to encourage**
32 **private sector investment and job opportunities for Missouri**
33 **citizens. Video lottery game terminals shall be connected to a**
34 **centralized system that uses standard industry protocols approved by**
35 **the commission that allows the commission to activate or deactivate a**
36 **particular video lottery game terminal from a remote location and**
37 **capable of monitoring and auditing plays. The commission shall**
38 **develop or procure such centralized system and provide licensed video**
39 **lottery game operators with the necessary protocols to connect the**
40 **operators' video lottery game terminals to the centralized system. No**
41 **video lottery game terminal shall be placed in operation without first**
42 **connecting to the centralized system. A vendor that provides the**
43 **centralized system authorized under this subsection shall not be**
44 **eligible to be licensed as a video lottery game operator or video lottery**
45 **game retailer. The commission may impose an initial nonrefundable**
46 **license application fee as follows:**

47 **(a) For video lottery game manufacturers, video lottery game**
48 **distributors, and video lottery game operators, no more than fifty**
49 **thousand dollars;**

50 **(b) For video lottery game retailer establishments, no more than**

51 **five hundred dollars; or**

52 **(c) For video lottery game handlers, no more than one hundred**
53 **dollars.**

54 **(2) The initial license and first subsequent license renewal shall**
55 **be for a period of one year. Thereafter, license renewal periods shall**
56 **be four years with the applicable annual renewal fee paid for each year**
57 **such license is renewed. Annual license renewal fees for anyone**
58 **licensed pursuant to this subsection shall be as follows:**

59 **(a) Five thousand dollars for video lottery game manufacturers**
60 **and video lottery game distributors;**

61 **(b) Five thousand dollars for video lottery game operators;**

62 **(c) One hundred dollars for video lottery game handlers; and**

63 **(d) Five hundred dollars for each video lottery game retailer's**
64 **establishment.**

65 **(3) In addition to the license fees required in subdivisions (1)**
66 **and (2) of this subsection, video lottery game operators shall pay the**
67 **commission an annual license fee of two hundred dollars for each video**
68 **lottery game terminal placed in service. Such video lottery game**
69 **terminal license shall be renewed each year and cost two hundred**
70 **dollars. A license issued under this subsection is nontransferable.**

71 **(4) Nothing in this subsection shall be construed to relieve the**
72 **licensee of the affirmative duty to notify the commission of any change**
73 **relating to the status of the license or to any other information**
74 **contained in the application materials on file with the commission.**

75 **4. No license shall be issued to any person, and no person shall**
76 **be allowed to serve as a sales agent, who has pled guilty to or been**
77 **convicted of a felony or a crime involving illegal gambling punishable**
78 **under chapter 572, or involving any crime related to fraud, deceptive**
79 **business practices, or any other form of financial exploitation**
80 **punishable under chapters 409, 570, 574, or any other provisions of law.**

81 **5. No license requirement, fee, sticker fee, or tax shall be**
82 **imposed by any local jurisdiction upon a video lottery game**
83 **manufacturer, video lottery game distributor, video lottery game**
84 **operator, video lottery game retailer, video lottery game handler, or**
85 **video lottery game terminal or an establishment relating to the**
86 **operation of video lottery games, video lottery game terminals, or**
87 **associated equipment.**

88 **6. (1) Video lottery game terminals shall meet independent**
89 **testing standards approved by the commission, as tested by an**
90 **approved independent test lab, and be capable of randomly generating**
91 **the outcome of video lottery games approved by the commission. Video**
92 **lottery game terminals shall be capable of printing a ticket redeemable**
93 **for winning video lottery game plays. Such video lottery game**
94 **terminals shall be inspected and approved by the commission prior to**
95 **being sold, leased, or transferred.**

96 **(2) Licensed video lottery game manufacturers may buy, sell, or**
97 **lease new or refurbished video lottery game terminals to and from**
98 **licensed video lottery game distributors.**

99 **(3) Licensed video lottery game distributors may buy, sell, or**
100 **lease new or refurbished video lottery game terminals to or from**
101 **licensed video lottery game manufacturers or licensed video lottery**
102 **game operators.**

103 **7. (1) Licensed video lottery game operators:**

104 **(a) May buy, lease, or rent video lottery game terminals from**
105 **licensed video lottery game manufacturers, operators, or distributors;**

106 **(b) May handle, place, and service video lottery game terminals;**

107 **(c) Shall connect such video lottery game terminals to the**
108 **centralized system or systems approved by the commission; and**

109 **(d) Shall pay winning tickets using a video lottery game ticket**
110 **redemption terminal. Such video lottery ticket redemption terminal**
111 **shall be located within the video lottery game retailer's**
112 **establishment. Video lottery game operators shall pay the commission**
113 **thirty-two percent of any unclaimed cash prize associated with a**
114 **winning ticket that has not been redeemed within one year of issue.**

115 **Rents or leases for video lottery game terminals shall be written at a**
116 **flat rate and shall not include revenue splitting as a method used in the**
117 **calculation of the lease or rent.**

118 **(2) Licensed video lottery game operators and licensed video**
119 **lottery game retailers shall enter into a written agreement for the**
120 **placement of video lottery game terminals. The agreement shall specify**
121 **an equal division of adjusted gross receipts between the video lottery**
122 **game operator and the video lottery game retailer after adjustments for**
123 **taxes and administrative fees are made. A video lottery game operator**
124 **shall be responsible for remitting to the commission and the video**

125 lottery game retailer its share of adjusted gross receipts. Nothing in
126 this subdivision shall prohibit a licensed video lottery game operator
127 from entering into an agreement with a sales agent for retailer
128 agreements provided such agreement is in writing and approved by the
129 commission. Video lottery game operators and their sales agents are
130 specifically prohibited from offering anything of value, other than the
131 percentage of adjusted gross receipts provided under this subsection,
132 for the placement of video lottery game terminals. Retail agreements
133 entered into prior to the enactment of sections 313.425 to 313.437 shall
134 be valid and enforceable, provided that both the establishment and
135 video lottery game operator are both ultimately licensed under sections
136 313.425 to 313.437.

137 (3) Nothing in this section shall be construed to prevent a video
138 lottery game operator or a video lottery retailer from using a player
139 rewards system as approved by the commission. No player shall be
140 required to enroll in a rewards program offered by a video lottery game
141 operator or video lottery game retailer as a condition to play video
142 lottery games.

143 8. No licensed video lottery game operator shall:

144 (1) Offer video lottery gaming terminals that directly dispense
145 anything of value except for tickets for winning plays. Tickets shall be
146 dispensed by pressing the ticket dispensing button on the video lottery
147 gaming terminal at the end of any video lottery game play. The ticket
148 shall indicate the total amount of credits and the cash award, the time
149 of day in a 24-hour format showing hours and minutes, the date, the
150 terminal serial number, the sequential number of the ticket, and an
151 encrypted validation number from which the validity of the prize may
152 be determined. The cost of the credits shall be one cent, five cents, ten
153 cents, or twenty-five cents, and the maximum wager played per video
154 lottery game shall not exceed five dollars. No cash award for the
155 maximum wager played on any individual video lottery game shall
156 exceed one thousand dollars;

157 (2) Operate in a retail establishment that is not a fraternal
158 establishment, a veterans establishment, truck stop establishment, or
159 bar;

160 (3) Operate more than five video lottery game terminals at one
161 video lottery game retailer establishment; except that, truck stop

162 establishments and establishments primarily catering to patrons of a
163 fraternal or veterans organization that sells liquor, wine, or beer at
164 retail, may operate up to ten video lottery game terminals as approved
165 by the commission;

166 (4) Advertise video lottery games outside of a licensed video
167 lottery game retailer's establishment through any media outlets or
168 direct mail or telephone solicitations. The advertising prohibition
169 contained in this subdivision shall apply to all licensees including, but
170 not limited to, video lottery game manufacturers, video lottery game
171 distributors, video lottery game operators, video lottery game retailers,
172 and video lottery game handlers, except that a video lottery retailer
173 may participate in an advertising program that is promoted through
174 and sponsored by the state lottery;

175 (5) Allow video lottery games to be played at any time when the
176 video lottery game retailer's establishment is closed for business.

177 9. (1) A person under twenty-one years of age shall not play
178 video lottery games, and such video lottery game terminals shall be
179 located either within the unobstructed line of sight of the bar counter
180 or sales counter or monitored by video surveillance and under the
181 supervision of a person that is at least twenty-one years of age to
182 prevent persons under twenty-one years of age from playing video
183 lottery games. A warning sign shall be posted in a conspicuous location
184 where such video lottery game terminals are located, containing in red
185 lettering at least one-half inch high on a white background the
186 following:

187 "YOU MUST BE AT LEAST 21 YEARS OF AGE TO PLAY VIDEO
188 LOTTERY GAMES"

189 In addition to the placement and supervision requirements of this
190 subsection, a video lottery game operator shall provide video
191 surveillance in the immediate area of the video lottery game retailer's
192 establishment where video lottery game terminals are
193 located. Recorded video from such surveillance system shall be made
194 available to the commission upon request and shall be reviewed by
195 video lottery game operators as reasonably and specifically requested
196 by the commission for any violation of law, rules or regulations
197 governing the conduct of video lottery games. A video lottery game
198 operator that fails to review such surveillance video upon proper

199 request by the commission and report any known violation of law, rules
200 or regulations governing the conduct of video lottery games in
201 conformance with established commission procedures may be subject
202 to an administrative fine not to exceed five thousand dollars. Any
203 video lottery game retailer that fails to report any known violation of
204 law, rules or regulations governing the conduct of video lottery games
205 in conformance with established commission procedures shall be
206 subject to an administrative fine not to exceed five thousand dollars. In
207 the event a video lottery game operator or retailer is found to have
208 knowingly committed a violation governing the conduct of video lottery
209 games, the commission may impose an administrative fine not to exceed
210 five thousand dollars, suspend such operator's or retailer's license for
211 up to thirty days, or in the case of repeated violations revoke such
212 operator's or retailer's license for a period of one year. Any video
213 lottery game operator or retailer aggrieved by the commission's
214 decision in any disciplinary action that results in the suspension or
215 revocation of such operator's or retailer's video lottery game license
216 may appeal such decision by filing an action in circuit court. The
217 commission shall refer a violation of the criminal code, with any
218 evidence thereof, to the appropriate law enforcement officials. Video
219 lottery game retailers shall provide an intrusion detection system
220 capable of detecting unauthorized entrance of the video lottery game
221 retailer's establishment during nonbusiness hours and shall report to
222 the commission any unauthorized entrance of the video lottery game
223 retailer's establishment. Such surveillance and intrusion detection
224 system shall meet specifications as defined by the commission.

225 (2) A video lottery game operator shall post a sign in a
226 conspicuous location where such video lottery game terminals are
227 located, containing in red lettering at least one-half inch high on a
228 white background a telephone contact number (1-888-BETSOFF) for the
229 problem gambling helpline.

230 10. (1) Video lottery game operators shall pay the commission
231 thirty-six percent of the video lottery game adjusted gross receipts,
232 which shall be deposited in the state lottery fund. The commission
233 shall transfer the amount received from the operator from the lottery
234 fund to the lottery proceeds fund after four percent of the video lottery
235 game adjusted gross receipts is paid to compensate the municipality

236 where a licensed video lottery game retailer maintains an
237 establishment licensed for the operation of video lottery game
238 terminals, or if such licensed establishment is not located within the
239 corporate boundaries of a municipality, then the county where such
240 licensed establishment is located, and any administrative expenses for
241 the commission that are not covered by reimbursements from operators
242 are deducted. Net proceeds transferred to the lottery proceeds fund
243 shall be appropriated as follows:

244 (a) The first one hundred million dollars shall be appropriated
245 for the public institutions of higher education; and

246 (b) The remaining net proceeds shall be appropriated for public
247 elementary and secondary education.

248 (2) Video lottery game operators shall retain sixty-four percent
249 of the video lottery game adjusted gross receipts, a portion of which
250 shall be utilized to pay for administrative expenses which shall include
251 the cost of the centralized system, which cost shall be paid by video
252 lottery game operators in proportion to the number of video lottery
253 game terminals operated. Fifty percent of the costs of the centralized
254 system shall be apportioned by the video lottery game operator among
255 video lottery game retailers to which it provides operations based on
256 the number of video lottery game terminals located at the video lottery
257 game retailer's establishment. The remainder, after the cost of the
258 centralized monitoring system are paid and apportioned, shall be
259 divided equally between the video lottery game operator and video
260 lottery game retailer.

261 11. All revenues received by the commission from license fees
262 and any reimbursements associated with the administration of the
263 provisions of sections 313.425 to 313.437, and all interest earned
264 thereon, shall be considered administrative expenses and shall be
265 deposited in the state lottery fund. Moneys deposited into the state
266 lottery fund from license fees and any reimbursements of commission
267 administrative expenses to administer sections 313.425 to 313.437 shall
268 be considered administrative expenses and shall not be considered net
269 proceeds pursuant to Article III, Section 39(b) of the Missouri
270 Constitution. Subject to appropriation, up to one percent of such
271 license fees and reimbursements deposited to the credit of the state
272 lottery fund may be deposited to the credit of the compulsive gamblers

273 fund created under section 313.842. The remainder of the money
274 deposited in the state lottery fund from video lottery game license fees
275 and any reimbursements of commission administrative expenses to
276 enforce sections 313.425 to 313.437 shall be distributed in the following
277 manner:

278 (1) Until December 31, 2019, one hundred percent of the proceeds
279 in the state lottery fund attributable to license fees and any
280 reimbursements of commission administrative expenses to enforce
281 sections 313.425 to 313.437, subject to appropriation, shall be used by
282 the commission for administrative expenses associated with
283 supervising and enforcing the provisions of sections 313.425 to 313.437;

284 (2) Beginning January 1, 2020, money deposited in the state
285 lottery fund from video lottery game license fees and reimbursements
286 of commission administrative expenses to enforce sections 313.425 to
287 313.435 shall be distributed in the following manner:

288 (a) Twenty percent of the proceeds in the state lottery fund
289 attributable to license fees and one hundred percent of any
290 reimbursements of commission administrative expenses to enforce
291 sections 313.425 to 313.437, subject to appropriation, shall be used by
292 the commission for administrative expenses associated with
293 supervising and enforcing the provisions of sections 313.425 to 313.437;
294 and

295 (b) One hundred percent of the remaining net proceeds in the
296 state lottery fund attributable to license fees, after the appropriation
297 in paragraph (a) of this subdivision has been made, and subject to
298 appropriation, shall be transferred to the veterans' commission capital
299 improvement trust fund created under section 42.300.

300 12. The commission may contract with a state law enforcement
301 entity to assist in conducting investigations into applicants for any
302 video lottery game license and to investigate violations by any video
303 lottery game licensee of any of the provisions of sections 313.425 to
304 313.437 or state law regulating illegal gambling. A video lottery game
305 licensee suspected of a violation shall be afforded an administrative
306 hearing on the record and any action taken to impose a fine on such
307 licensee, or to suspend or revoke the ability of a licensee to offer
308 lottery game products for sale, shall be appealed to the
309 commission. Any such administrative suspension or revocation upheld

310 by the commission may be appealed by the video lottery game licensee
311 in a state court of competent jurisdiction.

312 13. The commission shall adopt rules for the implementation of
313 the video lottery game system authorized under sections 313.425 to
314 313.437, including, but not limited to, the placement of video lottery
315 terminals within a retail establishment. Any rule or portion of a rule,
316 as that term is defined in section 536.010 that is created under the
317 authority delegated in this section shall become effective only if it
318 complies with and is subject to all of the provisions of chapter 536, and,
319 if applicable, section 536.028. This section and chapter 536 are
320 nonseverable and if any of the powers vested with the general assembly
321 pursuant to chapter 536, to review, to delay the effective date, or to
322 disapprove and annul a rule are subsequently held unconstitutional,
323 then the grant of rulemaking authority and any rule proposed or
324 adopted after August 28, 2019, shall be invalid and void.

313.431. 1. In order to expedite the orderly implementation of
2 the video lottery game system authorized under sections 313.425 to
3 313.437, the commission shall:

4 (1) Make license applications for video lottery game
5 manufacturers, video lottery game distributors, video lottery game
6 operators, video lottery game retailers, and video lottery game handlers
7 available to applicants and publish all material regulations by
8 December 15, 2019; and

9 (2) Issue a provisional license to an applicant for a video lottery
10 game manufacturer's, video lottery game distributor's, video lottery
11 game operator's, video lottery game retailer's, or video lottery game
12 handler's license if such applicant satisfies all of the following criteria
13 to the satisfaction of the commission:

14 (a) The applicant is current on all state taxes;

15 (b) The applicant has submitted a complete application for
16 licensure as a licensed video lottery game manufacturer, video lottery
17 game distributor, video lottery game operator, video lottery game
18 retailer, or video lottery game handler, which shall be submitted
19 concurrently with the applicant's request for a provisional license;

20 (c) The applicant has never been convicted of any felony or
21 gambling law violation punishable under chapter 572, or involving any
22 crime related to fraud, deceptive business practices, or any other form

23 of financial exploitation punishable under chapters 409, 570, 574, or any
24 other provisions of law, in any jurisdiction; and

25 (d) The applicant for a video lottery game retailer's license has
26 been issued and holds a valid license to sell liquor under chapter
27 311. The provisions of this paragraph shall not apply to truck stop
28 establishments.

29 A provisional license shall be issued by the commission within sixty
30 days from the date on which the application was first received unless
31 the commission shows cause that the license application is deficient or
32 such applicant does not meet the criteria for licensure.

33 2. The commission may issue provisional licenses prior to the
34 completion of a background check to an applicant that is licensed
35 under sections 313.200 to 313.351 or sections 313.800 to 313.850; or holds
36 or is an affiliate of any entity that holds a license in good standing
37 from a regulatory body of another state to operate, handle, or maintain
38 video gaming terminals or video lottery game terminals that are
39 substantially similar to video lottery game terminals authorized under
40 sections 313.425 to 313.437.

41 3. A provisional license shall be valid until:

42 (1) The commission either approves or denies the applicant's
43 application for licensure;

44 (2) The provisional license is terminated for a violation of this
45 section; or

46 (3) One calendar year has passed since the provisional license
47 was issued.

48 Nothing in this section shall prohibit an applicant for a video lottery
49 game manufacturer's, video lottery game distributor's, video lottery
50 game operator's, video lottery game retailer's, or video lottery game
51 handler's license from applying for a renewal of the provisional license
52 issued under this section so long as the commission has not made a
53 final determination to award or deny the applicant a license.

54 4. Each applicant shall attest by way of affidavit under penalty
55 of perjury that the applicant is not otherwise prohibited from licensure
56 according to the requirements of this section.

57 5. All requests for provisional licensure under this section shall
58 include the following fee, which is in addition to the applicable fee
59 required for an application for licensure and shall be retained by the

60 **commission:**

61 **(1) Five thousand dollars for a video lottery game manufacturer**
62 **and video lottery game distributor;**

63 **(2) Five thousand dollars for a video lottery game operator;**

64 **(3) Five hundred dollars for a video lottery game retailer's**
65 **establishment; or**

66 **(4) One hundred dollars for a video lottery game handler.**

313.433. 1. Notwithstanding any other provision of law to the
2 **contrary, participation by a person, firm, corporation, or organization**
3 **in any aspect of the state lottery under sections 313.425 to 313.437 shall**
4 **not be construed to be a lottery or gift enterprise in violation of section**
5 **39 of article III of the Constitution of Missouri.**

6 **2. The sale of lottery tickets, shares, or lottery game plays using**
7 **a video lottery game terminal under sections 313.425 to 313.437 shall**
8 **not constitute a valid reason to refuse to issue or renew or to revoke or**
9 **suspend any license or permit issued under the provisions of chapter**
10 **311.**

313.435. A municipality may adopt an ordinance prohibiting
2 **video lottery game terminals within the corporate limits of such**
3 **municipality. A county commission may, for the unincorporated area**
4 **of the county, adopt an ordinance prohibiting video lottery game**
5 **terminals within the unincorporated area of the county. The**
6 **commission shall not license video lottery game retailers within such**
7 **area covered by such ordinance. Any such municipality or county that**
8 **has opted to prohibit the use of video lottery game terminals to play**
9 **video lottery games may repeal such ordinance and upon such repeal**
10 **the commission may license video lottery game retailers within such**
11 **municipality or county to conduct video lottery games.**

313.437. Notwithstanding any other provision of law to the
2 **contrary, the commission may incur fees when accepting debit cards or**
3 **other electronic payment methods, except credit cards, for the sale of**
4 **lottery game plays.**

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. "Adjusted gross receipts"**
5 **shall not include adjusted gross receipts from sports wagering as**

6 **defined in section 313.1000;**

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

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

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

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

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

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

40 (8) "Dock", the location in a city or county authorized under subsection 10
41 of section 313.812 which contains any natural or artificial space, inlet, hollow, or

42 basin, in or adjacent to a bank of the Mississippi or Missouri Rivers, next to a
43 wharf or landing devoted to the embarking of passengers on and disembarking
44 of passengers from a gambling excursion but shall not include any artificial space
45 created after May 20, 1994, and is located more than one thousand feet from the
46 closest edge of the main channel of the river as established by the United States
47 Army Corps of Engineers;

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

50 (10) "Fiscal year" shall for the purposes of [subsections 3 and 4 of] section
51 313.820 mean the fiscal year of a home dock city or county;

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

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

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

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

63 (15) "Games of skill", any gambling game in which there is an opportunity
64 for the player to use his or her reason, foresight, dexterity, sagacity, design,
65 information or strategy to favorably increase the player's expected return;
66 including, but not limited to, the gambling games known as "poker", "blackjack"
67 (twenty-one), "craps", "Caribbean stud", "pai gow poker", "Texas hold'em", "double
68 down stud", **sports wagering**, and any video representation of such games;

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

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

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

75 (19) "Mississippi River" and "Missouri River", the water, bed and banks
76 of those rivers, including any space filled by the water of those rivers for docking
77 purposes in a manner approved by the commission but shall not include any

78 artificial space created after May 20, 1994, and is located more than one thousand
79 feet from the closest edge of the main channel of the river as established by the
80 United States Army Corps of Engineers;

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

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

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

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

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

**313.1000. As used in sections 313.1000 to 313.1020, the following
2 terms shall mean:**

3 **(1) "Adjusted gross receipts":**

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

6 **(b) The total of:**

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

9 **b. The amounts paid to registered sports governing bodies under**
10 **section 313.1018 and to public universities under section 313.1019; and**

11 **c. Uncollectible sports wagering receivables, not to exceed the**
12 **lesser of:**

13 **(i) A reasonable provision for uncollectible patron checks**
14 **received from sports wagering operations; or**

15 **(ii) Two percent of the total of all sums, including checks,**
16 **whether collected or not, less the amount paid out as winnings to sports**
17 **wagering patrons. For purposes of this section, a counter or personal**
18 **check that is invalid or unenforceable under this section is considered**
19 **cash received by the sports wagering operator from sports wagering**
20 **operations;**

21 **(2) "Approved limited mobile gaming system", a limited mobile**
22 **gaming system approved by the commission;**

23 **(3) "Certificate holder", a licensed applicant issued a certificate**
24 **of authority by the commission;**

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

28 **(5) "Collegiate athletic or sporting event", an athletic or sporting**
29 **event offered or sponsored by, or played in connection with, a public**
30 **or private institution that offers educational services beyond the**
31 **secondary level;**

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

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

34 **(8) "Excursion gambling boat", the same meaning as defined**
35 **under section 313.800;**

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

39 **(10) "Interactive sports wagering platform" or "platform", a**
40 **person that offers sports wagering over the internet, including on**
41 **internet websites and mobile devices on behalf of a certificate holder;**

42 **(11) "Licensed applicant", a person holding a license issued under**
43 **section 313.807 to operate an excursion gambling boat;**

44 **(12) "Licensed facility", an excursion gambling boat licensed**
45 **under this chapter;**

46 **(13) "Licensed supplier", a person holding a supplier's license**
47 **issued by the commission;**

48 **(14) "Limited mobile gaming system", a system that enables a**
49 **certificate holder to accept sports wagers through the use of mobile**
50 **gaming devices;**

51 **(15) "Occupational license", a license issued by the commission**
52 **within excursion gambling boat operations which the commission has**
53 **identified as requiring a license;**

54 **(16) "Official league data", statistics, results, outcomes, and other**
55 **data relating to an athletic or sporting event obtained pursuant to an**
56 **agreement with the relevant sports governing body, or an entity**
57 **expressly authorized by the sports governing body to provide such**
58 **information to sports wagering operators, which authorizes the use of**
59 **such data for determining the outcome of tier two sports wagers;**

60 **(17) "Person", an individual, sole proprietorship, partnership,**
61 **association, fiduciary, corporation, limited liability company, or any**
62 **other business entity;**

63 **(18) "Proposition wager", a wager on any aspect of an athletic or**
64 **sporting event unrelated to the event's outcome;**

65 **(19) "Registered sports governing body", a sports governing body**
66 **that is headquartered in the United States and who has registered with**
67 **the commission under sections 313.1000 to 313.1022. The term shall not**
68 **include the National Collegiate Athletic Association;**

69 **(20) "Sports governing body", the organization that prescribes**
70 **final rules and enforces codes of conduct with respect to a sporting**
71 **event and participants therein;**

72 **(21) "Sports wagering", wagering conducted under sections**
73 **313.1000 to 313.1022 on athletic and sporting events, on portions of**
74 **athletic and sporting events, or on the individual statistics of athletes**
75 **in a sporting event or combination of sporting events, involving human**
76 **competitors. The term includes, but is not limited to, single-game**
77 **wagers, teaser wagers, parlays, over-under, moneyline, pools, exchange**
78 **wagering, in-game wagers, in-play wagers, proposition wagers, and**
79 **straight wagers. Sports wagering shall not include money spent to**
80 **participate in paid fantasy sports under section 313.900 to 313.955;**

81 **(22) "Sports wagering device", a mechanical, electrical, or**
82 **computerized contrivance, terminal, device, apparatus, piece of**

83 equipment, or supply approved by the commission for conducting
84 sports wagering under sections 313.1000 to 313.1022. Sports wagering
85 device shall not include a device used by a sports wagering patron to
86 access an interactive sports wagering platform;

87 (23) "Sports wagering operator" or "operator", a certificate holder
88 or an interactive sports wagering platform offering sports wagering on
89 behalf of a certificate holder;

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

92 (25) "Tier one sports wager", a sports wager that is determined
93 solely by the final score or final outcome of the sporting event and is
94 placed before the sporting event has begun;

95 (26) "Tier two sports wager", a sports wager that is not a tier one
96 sports wager.

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

3 2. All shipments of gambling devices used to conduct sports
4 wagering under sections 313.1000 to 313.1022 to licensed applicants or
5 certificate holders, the registering, recording, and labeling of which
6 have been completed by the manufacturer or dealer thereof in
7 accordance with 15 U.S.C. Sections 1171 to 1178, shall be legal
8 shipments of gambling devices into this state.

313.1004. 1. The commission shall adopt rules to implement the
2 provisions of sections 313.1000 to 313.1022. Any rule or portion of a
3 rule, as that term is defined in section 536.010, that is created under
4 the authority delegated in this section shall become effective only if it
5 complies with and is subject to all of the provisions of chapter 536, and,
6 if applicable, section 536.028. This section and chapter 536 are
7 nonseverable and if any of the powers vested with the general assembly
8 pursuant to chapter 536 to review, to delay the effective date, or to
9 disapprove and annul a rule are subsequently held unconstitutional,
10 then the grant of rulemaking authority and any rule proposed or
11 adopted after August 28, 2019, shall be invalid and void.

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

14 (1) Standards for the conduct of sports wagering;

15 (2) Standards and procedures to govern the conduct of sports

16 **wagering, including the manner in which:**

17 **(a) Wagers are received;**

18 **(b) Payouts are paid; and**

19 **(c) Point spreads, lines, and odds are disclosed.**

20 **(3) Standards governing how a certificate holder offers sports**
21 **wagering over the internet through an interactive sports wagering**
22 **platform to patrons physically located in Missouri or in a state which**
23 **Missouri has entered into a reciprocal agreement on sports wagering.**

24 **(4) The manner in which a certificate holder's books and**
25 **financial records relating to sports wagering are maintained and**
26 **audited, including standards for the daily counting of a certificate**
27 **holder's gross receipts from sports wagering and standards to ensure**
28 **that internal controls are followed.**

29 **(5) Standards concerning the detection and prevention of**
30 **compulsive gambling.**

31 **3. Rules adopted under this section shall require a certificate**
32 **holder to do the following:**

33 **(1) Designate an area within the licensed facility operated by the**
34 **certificate holder for sports wagering conducted under sections**
35 **313.1000 to 313.1022;**

36 **(2) Ensure the security and integrity of sports wagers accepted**
37 **under an approved limited mobile gaming system;**

38 **(3) Ensure that the certificate holder's surveillance system**
39 **covers all areas of the licensed facility in which sports wagering is**
40 **conducted;**

41 **(4) Allow the commission to be present through the commission's**
42 **gaming agents during the time sports wagering is conducted in all**
43 **areas of the certificate holder's licensed facility in which sports**
44 **wagering is conducted, to do the following:**

45 **(a) Ensure maximum security of the counting and storage of the**
46 **sports wagering revenue received by the certificate holder;**

47 **(b) Certify the sports wagering revenue received by the**
48 **certificate holder;**

49 **(c) Receive complaints from the public;**

50 **(5) Ensure that individuals who are less than twenty-one years**
51 **of age do not make sports wagers;**

52 **(6) Provide written information to sports wagering patrons about**

53 sports wagering, payouts, winning wagers, and other information
54 considered relevant by the commission;

55 (7) Post a sign in the designated sports wagering area indicating
56 the minimum and maximum amounts that may be wagered.

313.1006. 1. Sports wagering shall not be conducted except by an
2 excursion gambling boat licensed under this chapter.

3 2. A licensed applicant who wishes to offer sports wagering
4 under sections 313.1000 to 313.1022 shall:

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

8 (2) Pay an initial application fee of ten thousand dollars.

9 3. Upon receipt of the application and fee required under
10 subsection 2 of this section, the commission shall issue a certificate of
11 authority to a licensed applicant authorizing the licensed applicant to
12 conduct sports wagering under sections 313.1000 to 313.1022 in a
13 licensed facility, in a location authorized under sections 313.1000 to
14 313.1022 through an approved limited mobile gaming system, or
15 through an interactive sports wagering platform.

313.1008. 1. The commission shall test new sports wagering
2 devices and new forms, variations, or composites of sports wagering
3 under the terms and conditions that the commission considers
4 appropriate prior to authorizing a certificate holder to offer a new
5 sports wagering device or a new form, variation, or composite of sports
6 wagering.

7 (1) A certificate holder shall designate an area or areas within
8 the certificate holder's licensed facility for conducting sports wagering.
9 In addition to such designated area, sports wagering may be conducted
10 at any location authorized under subsection 10 of this section through
11 the use of an approved limited mobile gaming system.

12 (2) A certificate holder may administer or contract with an
13 interactive sports wagering platform to administer interactive sports
14 wagering on the certificate holder's behalf.

15 3. (1) Except as provided in subdivision (2) of this subsection, a
16 person who is less than twenty-one years of age shall not be present in
17 the area designated under subsection 2 of this section where sports
18 wagering is being conducted.

19 **(2) A person who is at least eighteen years of age and who is an**
20 **employee of the certificate holder may be present in an area where**
21 **sports wagering is conducted. However, an employee who is less than**
22 **twenty-one years of age shall not perform any function involving sports**
23 **wagering by patrons.**

24 **4. (1) Sports wagering may be conducted with chips, tokens,**
25 **electronic cards, or money or other negotiable currency.**

26 **(2) A certificate holder shall determine the minimum and**
27 **maximum wagers in sports wagering conducted in the certificate**
28 **holder's licensed facility.**

29 **5. A certificate holder shall not permit any sports wagering on**
30 **the premises of the licensed facility except as provided under**
31 **subsection 2 of this section.**

32 **6. A sports wagering device shall be approved by the commission**
33 **and acquired by a certificate holder from a licensed supplier.**

34 **7. The commission shall determine the occupations related to**
35 **sports wagering that require an occupational license.**

36 **8. A certificate holder may lay off one or more sports wagers.**

37 **9. Subject to the approval of the commission, a certificate holder**
38 **may contract with a third party to conduct sports wagering at the**
39 **certificate holder's licensed facility.**

40 **10. (1) A certificate holder may request approval from the**
41 **commission to use a limited mobile gaming system in the certificate**
42 **holder's sports wagering operations.**

43 **(2) A certificate holder may approve the use of a limited mobile**
44 **gaming system to allow a patron to wager on sports while in the**
45 **following locations:**

46 **(a) The area designated under subsection 2 of this section;**

47 **(b) A gaming or other betting area of the certificate holder's**
48 **licensed facility that is outside of the area designated under subsection**
49 **2 of this section;**

50 **(c) A hotel, restaurant, or other amenity that is operated by the**
51 **certificate holder and subject to the supervision of the commission.**

52 **A patron shall not transmit a sports wager using a mobile gaming**
53 **device while present in any other location.**

313.1010. 1. An interactive sports wagering platform provider
2 **may offer sports wagering on behalf of a certificate holder only if the**

3 interactive sports wagering platform holds an interactive sports
4 wagering platform license issued by the commission.

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

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

10 (2) Pay an initial application fee of ten thousand dollars.

11 3. Each year on or before the anniversary date of the payment of
12 the initial application fee under subsection 2 of this section, an
13 interactive sports wagering platform provider holding a license issued
14 under this section shall pay to the commission an annual license
15 renewal fee of five thousand dollars.

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

20 (1) An interactive sports wagering platform license application;
21 and

22 (2) All documents, reports, and data submitted by an interactive
23 sports wagering platform provider to the commission containing
24 proprietary information, trade secrets, financial information, or
25 personally identifiable information about any person.

313.1012. 1. A certificate holder shall verify that a person
2 placing a wager is of the legal minimum age for placing a wager under
3 sections 313.1000 to 313.1022.

4 2. A certificate holder shall not offer proposition wagers on any
5 collegiate athletic or sporting event or on the individual performance
6 statistics of an athlete in a collegiate athletic or sporting event.

7 3. The commission shall adopt rules and regulations for a sports
8 wagering self-exclusion program. Any rule or portion of a rule, as that
9 term is defined in section 536.010, that is created under the authority
10 delegated in this section shall become effective only if it complies with
11 and is subject to all of the provisions of chapter 536, and, if applicable,
12 section 536.028. This section and chapter 536 are nonseverable and if
13 any of the powers vested with the general assembly pursuant to chapter
14 536 to review, to delay the effective date, or to disapprove and annul a

15 rule are subsequently held unconstitutional, then the grant of
16 rulemaking authority and any rule proposed or adopted after August
17 28, 2019, shall be invalid and void.

18 4. Rules promulgated under subsection 3 of this section shall:

19 (1) Allow individuals to restrict themselves from placing wagers
20 with the certificate holder; and

21 (2) Enable the certificate holder to take reasonable steps to
22 prevent a person from placing wagers prohibited under sections
23 313.1000 to 313.1022, including sharing, upon request of the person, the
24 person's request for self-exclusion with the commission, for the sole
25 purpose of disseminating the request to other sports wagering
26 certificate holders.

27 5. The commission shall adopt rules to ensure that
28 advertisements for sports wagering:

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

31 (2) Disclose the identity of the sports wagering certificate holder;

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

34 (4) Are not otherwise false, misleading, or deceptive to a
35 reasonable consumer.

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

6 2. (1) A certificate holder shall employ commercially reasonable
7 methods to:

8 (a) Prohibit the certificate holder, directors, officers, and
9 employees of the certificate holder, and any relative living in the same
10 household of a person described in this paragraph from placing sports
11 wagers with the certificate holder;

12 (b) Using publicly available information and any lists of
13 employees and affiliates provided to the certificate holder or the
14 commission by a sports governing body, prohibit wagering by any
15 athlete, coach, referee, team owner, employee of a sports governing
16 body or one of its member teams, or player or referee union personnel;

17 (c) Prohibit any individual with access to nonpublic confidential
18 information held by the certificate holder from placing sports wagers
19 with the certificate holder;

20 (d) Prevent the sharing of confidential information that could
21 affect sports wagering offered by the certificate holder or by third
22 parties until the information is made publicly available; and

23 (e) Prohibit persons from placing sports wagers as agents or
24 proxies for other persons.

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

28 3. A sports governing body may notify the commission that it
29 desires to restrict, limit, or exclude tier two sports wagers on its
30 sporting events by providing notice in the form and manner as the
31 commission may require, including, without limitation, restrictions on
32 the sources of data and associated video upon which an operator may
33 rely in offering and paying wagers and the bet types that may be
34 offered. Upon receiving such notice, the commission shall only deny a
35 request if it deems such request arbitrary and capricious. If the
36 commission denies a request, the sports governing body shall be
37 afforded notice and the right to be heard and offer proof in opposition
38 to such determination in accordance with the regulations of the
39 commission. Offering or taking wagers contrary to restrictions
40 promulgated by the commission is a violation of this section. In the
41 event that a request is submitted in relation to an emergency situation,
42 the executive director of the commission may temporarily grant the
43 request of the sports governing body until the commission makes a
44 final determination as to whether such request is arbitrary and
45 capricious. The provisions of this subsection shall not apply to tier one
46 sports wagers.

47 4. The commission and certificate holders shall cooperate with
48 investigations conducted by sports governing bodies, law enforcement
49 agencies, and universities located within the state, including by
50 providing or facilitating the provision of betting information and audio
51 or video files relating to persons placing sports wagers.

52 5. A certificate holder shall immediately report to the
53 commission any information relating to:

54 (1) Criminal or disciplinary proceedings commenced against the
55 certificate holder in connection with its operations;

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

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

59 (4) Any potential breach of the relevant sports governing body's
60 internal rules and codes of conduct pertaining to sports wagering;

61 (5) Any other conduct that corrupts the wagering outcome of a
62 sporting event or events for purposes of financial gain; and

63 (6) Suspicious or illegal wagering activities.

64 6. A certificate holder shall also immediately report information
65 relating to conduct described in subdivisions (3), (4), and (5) of
66 subsection 5 of this section to the relevant sports governing body and
67 to universities located within this state.

68 7. A certificate holder shall maintain the confidentiality of
69 information provided by a sports governing body to the certificate
70 holder unless disclosure is required by court order, the commission, or
71 any other provision of law.

72 8. Except as provided in subsection 9 of this section, certificate
73 holders may use any data source to determine the results of sports
74 wagers, provided the data is not obtained directly or indirectly from
75 live event attendees who collect the data in violation of the terms of
76 admittance to an event or through automated computer programs that
77 compile data from the internet in violation of the terms of service of
78 the relevant website or other internet platform.

79 9. A sports governing body may notify the commission that it
80 desires to supply official league data to certificate holders for
81 determining the results of tier two sports wagers. Such notification
82 shall be made in the form and manner as the commission may
83 require. Within thirty days of such notification by a sports governing
84 body, certificate holders shall use only official league data to determine
85 the results of tier two wagers, unless the certificate holder can
86 demonstrate to the commission that the sports governing body or its
87 designee cannot provide a feed of official league data to the certificate
88 holder on commercially reasonable terms.

313.1016. 1. A certificate holder shall maintain the following
2 records of all bets and wagers placed for a period of at least three years

3 after the sporting event occurs and make the data available for
4 inspection upon request of the commission, or upon court order:

- 5 (1) Personally identifiable information of the bettor;
- 6 (2) The amount and type of bet placed;
- 7 (3) The time and date the bet was placed;
- 8 (4) The location, including the internet protocol address if
9 applicable, where the bet was placed;
- 10 (5) The outcome of the bet;
- 11 (6) Records of abnormal betting activity; and
- 12 (7) Video camera recordings in the case of in-person wagers.

13 2. If a sports governing body has notified the commission that
14 real-time information sharing for wagers placed on its sporting events
15 is necessary and desirable, sports wagering operators shall share in
16 real time, at the account level, and in pseudonymous form, the
17 information required to be retained under subsection 1 of this section,
18 other than video files, with the sports governing body or its designee
19 with respect to wagers on its sporting events. Such information may
20 be used by a sports governing body solely for integrity purposes.

313.1018. 1. The performance of any act required, or the
2 forbearance of any act prohibited, by sections 313.1000 to 313.1022, by
3 an interactive sports wagering platform provider is imputed to the
4 certificate holder on behalf of which the platform is operating, and vice
5 versa.

6 2. A certificate holder is not liable under the laws of this state
7 to any party, including patrons, for disclosing information as required
8 under sections 313.1000 to 313.1022, and is not liable for refusing to
9 disclose information unless required under sections 313.1000 to
10 313.1022.

313.1019. 1. A sports governing body may register with the
2 commission if the sports governing body is headquartered in the United
3 States and it completes such registration form as the commission may
4 require. Upon submission of a completed registration form to the
5 commission, the eligible sports governing body shall be deemed
6 registered and shall be entitled to receive the royalty fee provided for
7 under this section.

8 2. Within thirty days of the end of each calendar quarter, a
9 certificate holder shall remit to the commission a royalty fee of three-

10 quarters of one percent of the amount wagered on sporting events
11 conducted by registered sports governing bodies during the previous
12 calendar quarter.

13 3. The royalty fee shall be remitted on a form as the commission
14 may require, on which the certificate holder shall identify the
15 percentage of wagering during the reporting period attributable to
16 each registered sports governing body's sporting events.

17 4. No later than April thirtieth of each year, a registered sports
18 governing body may submit a request for disbursement of funds
19 remitted by certificate holders in the previous calendar year. The
20 commission shall disburse the funds to the registered sports governing
21 body in pro rata proportion of the total amount wagered on its sporting
22 events. No registered sports governing body shall be required to obtain
23 a license from the commission in order to lawfully accept the funds
24 provided for in this subsection.

25 5. The commission shall annually publish a report stating the
26 amount received from certificate holders in royalty fees and the
27 amount paid to registered sports governing bodies.

28 6. Any unclaimed royalty fees shall be distributed to the
29 certificate holders that timely remitted the royalties required under
30 this section to the commission. Such royalties shall be distributed to
31 the eligible certificate holders on a pro rata basis.

32 7. The commission shall cooperate with a registered sports
33 governing body and certificate holders to ensure the timely, efficient,
34 and accurate sharing of information and the remittance of the royalty
35 fee to the registered sports governing body or its designee.

313.1020. 1. Within thirty days of the end of each calendar
2 quarter, a certificate holder shall remit to the commission a royalty fee
3 of three-quarters of one percent of the amounts wagered on:

- 4 (1) Sporting events involving at least one National Collegiate
5 Athletic Association Football Bowl Subdivision football team; and
- 6 (2) Sporting events involving at least one National Collegiate
7 Athletic Association Division I basketball team.

8 2. No later than April thirtieth of each year, the commission shall
9 disburse the royalty fees collected from certificate holders under this
10 section as follows:

- 11 (1) The royalty fees collected under subdivision (1) of subsection

12 1 of this section shall be distributed evenly among the public
13 universities in this state that sponsor National Collegiate Athletic
14 Association Football Bowl Subdivision football teams; and

15 (2) The royalty fees collected under subdivision (2) of subsection
16 1 of this section shall be distributed evenly among the public
17 universities in this state that sponsor National Collegiate Athletic
18 Association Division I basketball teams.

19 3. The royalty fees received by public universities under this
20 section shall be used solely for athletics compliance.

313.1022. 1. A wagering tax of six and one-quarter percent is
2 imposed on the adjusted gross receipts received from sports wagering
3 conducted by a certificate holder under sections 313.1000 to 313.1022.
4 If a third party is contracted with to conduct sports wagering at a
5 certificate holder's licensed facility, the third party contractor shall
6 fulfill the certificate holder's duties under this section.

7 2. A certificate holder shall remit the tax imposed by subsection
8 1 of this section to the department before the close of the business day
9 one day prior to the last business day of each month for the wagering
10 taxes collected for such month. Any taxes collected during the month,
11 but after the day on which the taxes are required to be paid to the
12 department, shall be paid to the department at the same time the
13 following month's taxes are due.

14 3. The payment of the tax under this section shall be by an
15 electronic funds transfer by an automated clearinghouse.

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

20 5. (1) A certificate holder shall pay to the commission an annual
21 administrative fee of five thousand dollars. The fee imposed shall be
22 due one year after the date on which the certificate holder commences
23 sports wagering operations under sections 313.1000 to 313.1022, and on
24 each annual anniversary date thereafter. The commission shall deposit
25 the administrative fees received under this subsection in the sports
26 wagering fund established under subsection 6 of this section.

27 (2) In addition to the annual administrative fee required under
28 this subsection, a certificate holder shall pay to the commission a fee

29 of ten thousand dollars to cover the costs of a full reinvestigation of the
30 certificate holder in the fifth year after the date on which the
31 certificate holder commences sports wagering operations under
32 sections 313.1000 to 313.1022 and on each fifth year thereafter. The
33 commission shall deposit the fees received under this subdivision in the
34 sports wagering fund established under subsection 6 of this section.

35 6. There is hereby established the "Sports Wagering Fund", to be
36 administered by the commission. The fund shall consist of the fees
37 deposited under subsection 5 of this section. The state treasurer shall
38 invest the moneys in the fund not currently needed to meet the
39 obligations of the fund in the same manner as other funds are
40 invested. Any interest and moneys earned on such investments shall be
41 credited to the fund. Notwithstanding the provisions of section 33.080
42 to the contrary, any moneys remaining in the fund at the end of the
43 biennium shall not revert to the credit of the general revenue
44 fund. Money in the fund shall be used by the commission to pay the
45 costs incurred to administer sections 313.1000 to 313.1022.

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