

FIRST REGULAR SESSION

# SENATE BILL NO. 44

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOSKINS.

Pre-filed December 1, 2018, and ordered printed.

ADRIANE D. CROUSE, Secretary.

0261S.02I

## AN ACT

To repeal section 313.800, RSMo, and to enact in lieu thereof seven new sections relating to sports wagering, with penalty provisions.

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

Section A. Section 313.800, RSMo, is repealed and seven new sections enacted in lieu thereof, to be known as sections 313.800, 313.855, 313.860, 313.865, 313.870, 313.875, and 313.880, to read as follows:

313.800. 1. As used in sections 313.800 to [313.850] **313.880**, unless the context clearly requires otherwise, the following terms mean:

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

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

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

(4) "Capital, cultural, and special law enforcement purpose expenditures" shall include any disbursement, including disbursements for principal, interest, and costs of issuance and trustee administration related to any indebtedness, for the acquisition of land, land improvements, buildings and building improvements, vehicles, machinery, equipment, works of art, intersections, signing, signalization, parking lot, bus stop, station, garage, terminal, hanger, shelter, dock, wharf, rest area, river port, airport, light rail, railroad, other mass transit, pedestrian shopping malls and plazas, parks, lawns, trees, and other landscape, convention center, roads, traffic control devices, sidewalks, alleys, ramps, tunnels, overpasses and underpasses, utilities, streetscape, lighting, trash receptacles, marquees,

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

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) **"Gaming facility", a licensee offering gaming on an excursion**  
68 **gambling boat under sections 313.800 to 313.850;**

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

71 [(17)] (18) "Holder of occupational license", a person licensed by the  
72 commission to perform an occupation within excursion gambling boat operations  
73 which the commission has identified as requiring a license;

74 (19) **"Interactive sports wagering platform" or "platform", a**  
75 **person or entity that offers sports wagering over the internet, including**  
76 **on websites and mobile devices, on behalf of a gaming facility;**

77 [(18)] (20) "Licensee", any person licensed under sections 313.800 to  
78 313.850;

79 [(19)] (21) "Mississippi River" and "Missouri River", the water, bed and  
80 banks of those rivers, including any space filled by the water of those rivers for  
81 docking purposes in a manner approved by the commission but shall not include  
82 any artificial space created after May 20, 1994, and is located more than one  
83 thousand feet from the closest edge of the main channel of the river as  
84 established by the United States Army Corps of Engineers;

85 (22) **"Sports governing body", the organization that prescribes**  
86 **final rules and enforces codes of conduct with respect to a sporting**  
87 **event and participants therein;**

88 (23) **"Sports wagering", the acceptance of wagers on sporting**  
89 **events or portions of sporting events, or on the individual performance**  
90 **statistics of athletes in a sporting event or combination of sporting**  
91 **events, by any system or method of wagering, including but not limited**

92 to in-person, or over the internet through websites and on mobile  
93 devices. "Sports wagering" shall include, but shall not be limited to,  
94 single-game bets, teaser bets, parlays, over-under, moneyline, pools,  
95 exchange wagering, in-game wagering, in-play bets, proposition bets,  
96 and straight bets;

97 (24) "Sports wagering operator" or "operator", a gaming facility  
98 that offers sports wagering or an interactive sports wagering platform  
99 that offers sports wagering on behalf of a gaming facility;

100 [(20)] (25) "Supplier", a person who sells or leases gambling equipment  
101 and gambling supplies to any licensee;

102 (26) "Wager" or "bet", the staking or risking by a person of  
103 something of value upon an agreement or understanding that the  
104 person will receive something of value in the event of a certain  
105 outcome. "Wager" or "bet" shall not include:

106 (a) Any activity governed by the securities laws of the United  
107 States or this state;

108 (b) Any contract of indemnity or guarantee;

109 (c) Any contract for insurance; or

110 (d) Participation in any game or contest in which the  
111 participants do not stake or risk anything of value other than personal  
112 efforts of the participants in playing the game or contest or obtaining  
113 access to the internet, or points or credits that the sponsor of the game  
114 or contest provides to participants free of charge and that can be used  
115 or redeemed only for participation in games or contests offered by the  
116 sponsor.

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

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

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

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

**313.855. 1. Sports wagering shall not be offered in this state  
2 except by a gaming facility under sections 313.800 to 313.880.**

**3 2. Gaming facilities may offer sports wagering:**

**4 (1) In-person at the gaming facility; and**

**5 (2) Over the internet via an interactive sports wagering platform  
6 to persons physically located in this state, provided that any such  
7 person making a wager over the internet shall be required to activate  
8 an account in-person at the gaming facility to enable such wager.**

**9 3. (1) A gaming facility may contract with interactive sports  
10 wagering platforms to administer sports wagering over the internet on  
11 its behalf only if it holds a platform license issued by the commission.**

**12 (2) Applicants for interactive sports wagering platform licenses  
13 shall:**

**14 (a) Submit an application to the commission in the manner  
15 prescribed by the commission to verify the platform's eligibility under  
16 sections 313.855 to 313.880; and**

**17 (b) Pay an initial application fee of ten thousand dollars.**

**18 (3) (a) Each year on or before the anniversary date of the  
19 payment of the initial application fee made under subdivision (2) of this  
20 subsection, if such platform license has been issued, a platform shall  
21 pay to the commission an annual license renewal fee of five thousand  
22 dollars.**

**23 (b) All license fees imposed under this subdivision and  
24 subdivision (2) of this subsection shall be deposited in the gaming  
25 commission fund and distributed according to section 313.835.**

26 (4) Notwithstanding any provision of law to the contrary, a  
27 platform license application and all documents, reports, and data  
28 submitted by an interactive sports wagering platform to the  
29 commission containing proprietary information, trade secrets, financial  
30 information, or personal information about any person shall be treated  
31 by the commission as closed records and shall not be disclosed to the  
32 public unless required by court order or any other provision of sections  
33 313.855 to 313.880.

34 (5) An interactive sports wagering platform may enter into  
35 agreements to offer sports wagering on behalf of one or more gaming  
36 facilities without limitation. Such agreements shall not be  
37 prerequisites to obtaining an interactive sports wagering platform  
38 license.

39 4. The commission shall investigate any person or entity  
40 providing interactive sports wagering platform services on behalf of a  
41 gaming facility and that is not currently licensed by the  
42 commission. Such investigation may include conducting an  
43 investigation of the sports wagering platform services applicant's  
44 employees, officers, directors, trustees, and principal salaried executive  
45 staff officers. The applicant shall be responsible for the total cost of  
46 the investigation. If the cost of the investigation exceeds the  
47 application fee imposed in subsection 3 of this section, the applicant  
48 shall remit to the commission the total cost of the investigation prior  
49 to any license being issued. The total cost of the investigation shall not  
50 exceed fifty thousand dollars.

51 5. Notwithstanding the provisions of section 313.822 to the  
52 contrary, except for the initial and subsequent license renewal fees  
53 imposed by subsection 3 of this section and the sports betting right and  
54 integrity fee required under subsection 3 of section 313.870, wagering  
55 on sporting events shall only be subject to the following taxes and  
56 administrative fees:

57 (1) A tax is imposed on the adjusted gross receipts received from  
58 wagers on sporting events at the rate of twelve percent. Such tax shall  
59 be the only tax assessed upon the adjusted gross receipts derived from  
60 wagers on sporting events and shall be remitted in the same manner as  
61 gross receipts taxes are remitted pursuant to 313.822.

62 (2) In addition to the tax imposed on adjusted gross receipts, an

63 administrative fee is imposed on adjusted gross receipts received from  
64 wagers on sporting events authorized pursuant to this section at the  
65 rate of two percent. Such administrative fee shall be deposited in the  
66 gaming commission fund created pursuant to section 313.835, and one  
67 hundred percent of such administrative fee shall be transferred to the  
68 veterans' commission capital improvement trust fund created in section  
69 42.300.

70 6. Nothing in this section shall relieve a licensee from any  
71 administrative action or penalty assessed by the commission for a  
72 violation of the law or any regulations promulgated by the commission  
73 for the conduct of wagering on sporting events.

313.860. 1. Sports wagering operators shall take commercially  
2 reasonable steps to verify that a person placing a wager is of the legal  
3 minimum age under section 313.817 for placing such a wager.

4 2. Sports wagering operators shall allow individuals to restrict  
5 themselves from placing wagers with the operator, including wager  
6 limits, and shall take reasonable steps to prevent such individuals from  
7 placing such wagers, including upon request of such individual to share  
8 the request with the commission for the sole purpose of disseminating  
9 the request to other sports wagering operators.

10 3. The commission shall promulgate rules to ensure that an  
11 operator's advertisements for sports wagering:

12 (1) Do not target minors or other persons who are ineligible to  
13 place wagers, problem gamblers, or other vulnerable persons, which  
14 may include limitations on the form, content, quantity, timing, and  
15 location of advertisements;

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

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

19 (4) Are not false, misleading, or deceptive to a reasonable  
20 consumer.

21 Any rule or portion of a rule, as that term is defined in section 536.010  
22 that is created under the authority delegated in this section shall  
23 become effective only if it complies with and is subject to all of the  
24 provisions of chapter 536, and, if applicable, section 536.028. This  
25 section and chapter 536 are nonseverable and if any of the powers  
26 vested with the general assembly pursuant to chapter 536, to review, to

27 delay the effective date, or to disapprove and annul a rule are  
28 subsequently held unconstitutional, then the grant of rulemaking  
29 authority and any rule proposed or adopted after August 28, 2019, shall  
30 be invalid and void.

313.865. 1. Sports wagering operators shall conduct background  
2 checks on newly hired employees, and annual background checks on all  
3 existing employees. Background checks shall search for criminal  
4 history, and any charges or convictions involving corruption or  
5 manipulation of sporting events and association with organized crime.

6 2. Sports wagering operators shall employ commercially  
7 reasonable methods to:

8 (1) Prohibit the operator, directors, officers, owners, and  
9 employees of the operator, and any relative living in the same  
10 household as such persons, from placing bets with the operator;

11 (2) Prohibit athletes, coaches, referees, team owners, employees  
12 of a sports governing body or its member teams, and player and referee  
13 union personnel from wagering on any sporting event overseen by their  
14 sport's governing body. In determining which persons are excluded  
15 from placing wagers under this subsection, operators shall use publicly  
16 available information and any lists of such persons that the sports  
17 governing body may provide to the commission;

18 (3) Prohibit any individual with access to nonpublic confidential  
19 information held by the operator from placing wagers with the  
20 operator;

21 (4) Prohibit persons from placing wagers as agents or proxies for  
22 others; and

23 (5) Maintain the security of wagering data, customer data, and  
24 other confidential information from unauthorized access and  
25 dissemination; provided, however, that nothing in sections 313.855 to  
26 313.880 shall preclude the use of internet or cloud-based hosting of such  
27 data and information or disclosure as required by court order or any  
28 other provision of law.

29 3. A sports governing body may notify the commission that it  
30 desires to restrict, limit, or exclude wagering on its sporting events by  
31 providing notice in the form and manner as the commission may  
32 require, including, without limitation, restrictions on the sources of  
33 data and associated video upon which an operator may rely in offering

34 and paying wagers and the bet types that may be offered. Upon  
35 receiving such notice, the commission shall publish such wagering  
36 restrictions. Offering or taking wagers contrary to such published  
37 restrictions shall be a violation of the provisions of sections 313.855 to  
38 313.880.

39 4. The commission shall designate a state law enforcement entity  
40 to have primary responsibility for conducting, or assisting the  
41 commission in conducting, investigations into abnormal betting  
42 activity, match fixing, and other conduct that corrupts a betting  
43 outcome of a sporting event or events for purposes of financial gain.

44 5. The commission and sports wagering operators shall cooperate  
45 with investigations conducted by sports governing bodies or law  
46 enforcement agencies, including but not limited to providing or  
47 facilitating the provision of account-level betting information and  
48 audio or video files relating to persons placing wagers.

49 6. Sports wagering operators shall immediately report to the  
50 commission any information relating to:

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

53 (2) Abnormal betting activity or patterns that may indicate a  
54 concern with the integrity of a sporting event or events;

55 (3) Any potential breach of the relevant sports governing body's  
56 internal rules and codes of conduct pertaining to sports wagering;

57 (4) Any other conduct that corrupts a betting outcome of a  
58 sporting event or events for purposes of financial gain, including match  
59 fixing; and

60 (5) Suspicious or illegal wagering activities, including use of  
61 funds derived from illegal activity, wagers to conceal or launder funds  
62 derived from illegal activity, using agents to place wagers, and using  
63 false identification.

64 Sports wagering operators shall also immediately report information  
65 relating to conduct described in subdivisions (2), (3), and (4) of this  
66 subsection to the relevant sports governing body.

67 7. Sports wagering operators shall maintain the confidentiality  
68 of information provided by a sports governing body to the sports  
69 wagering operator, unless disclosure is required by the commission,  
70 court order, or any other provision of law.

71           8. Sports wagering operators shall use in all sports wagering  
72 only statistics, results, outcomes, and other data relating to a sporting  
73 event that have been obtained from the relevant sports governing body  
74 or an entity expressly authorized by the sports governing body to  
75 provide such information to sports wagering operators.

          313.870. 1. Sports wagering operators shall maintain records of  
2 all bets and wagers placed, including personally identifiable  
3 information of the bettor, amount and type of bet, time the bet was  
4 placed, location of the bet, including internet protocol (IP) address if  
5 applicable, the outcome of the bet, records of abnormal betting activity,  
6 and video camera recordings in the case of in-person wagers for at  
7 least three years after the sporting event occurs and make such data  
8 available for inspection upon request of the commission, or as required  
9 by court order.

10           2. If a sports governing body has notified the commission that  
11 real-time information sharing for wagers placed on its sporting events  
12 is necessary and desirable, sports wagering operators shall share in  
13 real time and in anonymized form the information required to be  
14 retained under subsection 1 of this section, excluding video files, with  
15 the sports governing body or its designee with respect to wagers on its  
16 sporting events.

17           3. (1) At least once per calendar quarter, a sports wagering  
18 operator shall remit to the commission a sports betting right and  
19 integrity fee of one-half of one percent of the gross amount wagered on  
20 its sporting events during the previous calendar quarter.

21           (2) The commission shall deposit all fees collected under this  
22 subsection in the "Entertainment Facilities Infrastructure Fund", which  
23 is hereby created in the state treasury. The state treasurer shall be  
24 custodian of the fund. In accordance with sections 30.170 and 30.180,  
25 the state treasurer may approve disbursements. Notwithstanding the  
26 provisions of section 33.080 to the contrary, any moneys remaining in  
27 the fund at the end of the biennium shall not revert to the credit of the  
28 general revenue fund. The state treasurer shall invest moneys in the  
29 fund in the same manner as other funds are invested. Any interest and  
30 moneys earned on such investments shall be credited to the  
31 fund. Moneys in the fund shall be used solely for the purposes of  
32 funding the construction or maintenance of entertainment structures,

33 fixtures, systems, and facilities including, but not limited to, convention  
34 centers, multipurpose sports and entertainment venues, exhibition and  
35 trade facilities, transportation facilities, cultural facilities, field houses,  
36 indoor and outdoor convention and recreational facilities and centers,  
37 playing fields, or parking facilities that contribute to the attraction of  
38 convention, sports, recreational, transportation, cultural, or meeting  
39 activities, either professional or amateur, commercial or private.

40 4. The commission shall cooperate with a sports governing body  
41 and operators to ensure the timely, efficient, and accurate sharing of  
42 information.

313.875. Any person, firm, corporation, association, agent, or  
2 employee who knowingly violates any procedure implemented under  
3 sections 313.855 to 313.880 shall be liable for a civil penalty of not more  
4 than five thousand dollars for each violation, not to exceed fifty  
5 thousand dollars for violations arising out of the same transaction or  
6 occurrence, which shall accrue to the state and may be recovered in a  
7 civil action brought by the commission. Any licensee who violates any  
8 provision under sections 313.855 to 313.880 shall be subject to the  
9 actions and penalties provided under subdivision (6) of section 313.805.

313.880. 1. Any person, firm, corporation, association, agent, or  
2 employee who:

3 (1) Places, or causes to be placed, a bet or wager on the basis of  
4 material nonpublic information relating to that bet or wager; or

5 (2) Knowingly engages in, facilitates, or conceals conduct that  
6 intends to improperly influence a betting outcome of a sporting event  
7 for purposes of financial gain, in connection with betting or wagering  
8 on a sporting event,  
9 shall be guilty of a class E felony.

10 2. A bet or wager shall be "on the basis of material nonpublic  
11 information" if the person placing the bet or wager, or causing it to be  
12 placed, was aware of the material nonpublic information when such  
13 person placed the bet or wager or caused it to be placed.

14 3. Any person or gaming facility in violation of subdivision (2) of  
15 subsection 1 of this section shall be liable to the relevant sports  
16 governing body, which sports governing body may sue either at law or  
17 in equity in any court of competent jurisdiction.