

SECOND REGULAR SESSION

SENATE BILL NO. 567

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOSKINS.

Pre-filed December 1, 2019, and ordered printed.

ADRIANE D. CROUSE, Secretary.

3586S.02I

AN ACT

To repeal sections 313.230 and 313.800, RSMo, and to enact in lieu thereof eighteen 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Section A. Sections 313.230 and 313.800, RSMo, are repealed and eighteen
2 new sections enacted in lieu thereof, to be known as sections 313.230, 313.800,
3 313.1000, 313.1002, 313.1003, 313.1004, 313.1006, 313.1008, 313.1010, 313.1012,
4 313.1014, 313.1016, 313.1018, 313.1019, 313.1020, 313.1021, 313.1022, and
5 313.1024, to read as follows:

313.230. The commission shall:

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

5 (a) The type of lottery to be conducted, [except no lottery may use any
6 coin- or token-operated amusement device and no lottery game shall be based in
7 any form on the outcome of sporting events. However, it shall be legal to]
8 **including the use of clerk- or player-activated terminals, which are coin- or**
9 **currency-operated, lottery games based on the outcome of a sporting**
10 **event, and to dispense lottery tickets. Lottery games based on the outcome**
11 **of a sporting event shall be limited to "parlay games", which term shall**
12 **mean a game in which two or more teams are involved in determining**
13 **the winning outcome of the game;**

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

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

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

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

- 17 (e) The manner of payment of prizes to the holders of winning tickets or
18 shares;
- 19 (f) The frequency of the drawings or selections of winning tickets or
20 shares, without limitation;
- 21 (g) The types or numbers of locations at which tickets or shares may be
22 sold and the method to be used in selling tickets or shares;
- 23 (h) The method to be used in selling tickets or shares;
- 24 (i) The licensing of lottery game retailers to sell tickets or shares;
- 25 (j) The manner and amount of compensation, including commissions,
26 ticket discounts, incentives and any other remuneration, to be paid to or retained
27 by lottery game retailers;
- 28 (k) The apportionment of the total revenues accruing from the sale of
29 lottery tickets or shares and from all other sources among:
- 30 a. The payment of prizes to the holders of winning tickets or shares;
- 31 b. The payment of costs incurred in the operation and administration of
32 the lottery, including the expenses of the commission and the costs resulting from
33 any contract or contracts entered into for promotional, advertising or operational
34 services or for the purchase or lease of lottery equipment and materials;
- 35 c. For the repayment to the general revenue fund of any amount
36 appropriated for initial start-up of the lottery; and
- 37 d. For timely transfer to the state lottery fund as provided by law;
- 38 (l) Such other matters necessary or desirable for the efficient and
39 economical operation and administration of the lottery and for the convenience
40 of the purchasers of tickets or shares and the holders of winning tickets or
41 shares. The commission may disburse money for payment of lottery prizes;
- 42 (2) Amend, repeal, or supplement any such rules and regulations from
43 time to time as it deems necessary or desirable;
- 44 (3) Advise and make recommendations to the director regarding the
45 operation and administration of the lottery;
- 46 (4) Report quarterly to the governor and the general assembly the total
47 lottery revenues, prize disbursements and other expenses for the preceding
48 quarter, and to make an annual report, which shall include a full and complete
49 statement of lottery revenues, prize disbursements and other expenses, to the
50 governor and the general assembly, and including such recommendations for
51 changes in sections 313.200 to 313.350 as it deems necessary or desirable;
- 52 (5) Report to the governor and general assembly any matters which shall

53 require immediate changes in the laws of this state in order to prevent abuses
54 and evasions of sections 313.200 to 313.350 or rules and regulations promulgated
55 thereunder or to rectify undesirable conditions in connection with the
56 administration or operation of the lottery;

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

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

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

3 (1) "Adjusted gross receipts", the gross receipts from licensed gambling
4 games and devices less winnings paid to wagerers. **"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", 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 actual costs paid by a sports wagering operator for any
10 personal property or services distributed to sports wagering patrons as
11 prizes;**

12 **c. Voided wagers; and**

13 **d. Uncollectible sports wagering receivables, not to exceed the
14 lesser of:**

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

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

23 **(2) "Certificate holder", a licensed applicant issued a certificate**

24 of authority by the commission;

25 (3) "Certificate of authority", a certificate issued by the
26 commission authorizing a licensed applicant to conduct sports
27 wagering under sections 313.1000 to 313.1024;

28 (4) "Commission", the Missouri gaming commission;

29 (5) "Department", the department of revenue;

30 (6) "Excursion gambling boat", the same meaning as defined
31 under section 313.800;

32 (7) "Gross receipts", the total amount of cash and cash
33 equivalents paid by sports wagering patrons to a sports wagering
34 operator to participate in sports wagering;

35 (8) "Interactive sports wagering platform" or "platform", a person
36 that offers sports wagering over the internet, including on internet
37 websites and mobile devices on behalf of a certificate holder;

38 (9) "Licensed applicant", a person holding a license issued under
39 section 313.807 to operate an excursion gambling boat;

40 (10) "Licensed facility", an excursion gambling boat licensed
41 under this chapter;

42 (11) "Licensed supplier", a person holding a supplier's license
43 issued by the commission;

44 (12) "Occupational license", a license issued by the commission;

45 (13) "Official league data", statistics, results, outcomes, and other
46 data relating to an athletic or sporting event obtained pursuant to an
47 agreement with the relevant sports governing body, or an entity
48 expressly authorized by the sports governing body to provide such
49 information to sports wagering operators, which authorizes the use of
50 such data for determining the outcome of tier two sports wagers;

51 (14) "Person", an individual, sole proprietorship, partnership,
52 association, fiduciary, corporation, limited liability company, or any
53 other business entity;

54 (15) "Personal biometric data", an athlete's information derived
55 from DNA, heart rate, blood pressure, perspiration rate, internal or
56 external body temperature, hormone levels, glucose levels, hydration
57 levels, vitamin levels, bone density, muscle density, and sleep patterns;

58 (16) "Registered sports governing body", a sports governing body
59 that is headquartered in the United States and who has registered with
60 the commission under sections 313.1000 to 313.1024. The term shall not

61 include the National Collegiate Athletic Association;

62 (17) "Sports governing body", the organization that prescribes
63 final rules and enforces codes of conduct with respect to a sporting
64 event and participants therein;

65 (18) "Sports wagering", wagering conducted under sections
66 313.1000 to 313.1024 on athletic and sporting events involving human
67 competitors or on other events as approved by the commission. Sports
68 wagering shall not include money spent to participate in paid fantasy
69 sports under sections 313.900 to 313.955;

70 (19) "Sports wagering device", a mechanical, electrical, or
71 computerized contrivance, terminal, device, apparatus, piece of
72 equipment, or supply approved by the commission for conducting
73 sports wagering under sections 313.1000 to 313.1024. Sports wagering
74 device shall not include a device used by a sports wagering patron to
75 access an interactive sports wagering platform;

76 (20) "Sports wagering operator" or "operator", a certificate holder
77 or an interactive sports wagering platform offering sports wagering on
78 behalf of a certificate holder;

79 (21) "Supplier's license", a license issued by the commission
80 under section 313.807;

81 (22) "Tier one sports wager", a sports wager that is determined
82 solely by the final score or final outcome of the sporting event and is
83 placed before the sporting event has begun;

84 (23) "Tier two sports wager", a sports wager that is not a tier one
85 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 313.1024 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.

313.1003. 1. Sports wagering shall not be offered in this state
2 except by a licensed facility.

3 2. A licensed facility may offer sports wagering:

4 (1) In person at the licensed facility; and

5 **(2) Over the internet via an interactive sports wagering platform**
6 **to persons physically located in this state.**

313.1004. 1. The commission shall adopt rules to implement the
2 **provisions of sections 313.1000 to 313.1024. 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, 2020, 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 and procedures to govern the conduct of sports**
15 **wagering, including the manner in which:**

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

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

18 **(c) Point spreads, lines, and odds are disclosed;**

19 **(2) Standards governing how a certificate holder offers sports**
20 **wagering over the internet through an interactive sports wagering**
21 **platform to patrons physically located in Missouri;**

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

27 **(4) Standards concerning the detection and prevention of**
28 **compulsive gambling.**

29 **3. Rules adopted under this section shall require a certificate**
30 **holder to make commercially reasonable efforts to do the following:**

31 **(1) Designate an area within the licensed facility operated by the**
32 **certificate holder for sports wagering conducted under sections**
33 **313.1000 to 313.1024;**

34 **(2) Ensure the security and integrity of sports wagers accepted**
35 **through an interactive sports wagering platform;**

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

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

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

45 **(b) Certify the sports wagering revenue received by the**
46 **certificate holder;**

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

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

50 **(6) Provide written information to sports wagering patrons about**
51 **sports wagering, payouts, winning wagers, and other information**
52 **considered relevant by the commission;**

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

313.1006. 1. A licensed applicant who wishes to offer sports
2 **wagering under sections 313.1000 to 313.1024 shall:**

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

6 **(2) Pay an initial application fee of twenty-five thousand dollars,**
7 **which shall be deposited in the gaming commission fund and**
8 **distributed according to section 313.835.**

9 **2. Upon receipt of the application and fee required under**
10 **subsection 1 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 313.1024 in a**
13 **licensed facility or 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 **2. (1) A certificate holder shall designate an area or areas within**
8 **the certificate holder's licensed facility for conducting sports wagering.**

9 **(2) A certificate holder may administer or contract with up to**
10 **three individually branded interactive sports wagering platforms to**
11 **administer interactive sports wagering on the certificate holder's**
12 **behalf.**

13 **3. (1) Sports wagering may be conducted with chips, tokens,**
14 **electronic cards, or money or other negotiable currency.**

15 **(2) A certificate holder shall determine the minimum and**
16 **maximum wagers in sports wagering conducted in the certificate**
17 **holder's licensed facility.**

18 **4. A certificate holder shall not permit any sports wagering on**
19 **the premises of the licensed facility except as provided under**
20 **subsection 2 of this section.**

21 **5. A sports wagering device shall be approved by the commission**
22 **and acquired by a certificate holder from a licensed supplier.**

23 **6. The commission shall determine the occupations related to**
24 **sports wagering that require an occupational license.**

25 **7. A certificate holder may lay off one or more sports**
26 **wagers. The commission may promulgate rules permitting certificate**
27 **holders or platforms to employ systems that offset loss or manage risk**
28 **in the operation of sports wagering under sections 313.1000 to 313.1024**
29 **through the use of liquidity pools in other jurisdictions in which the**
30 **certificate holder, platform, an affiliate of the certificate holder or**
31 **platform, or a third party also holds licenses to conduct sports**
32 **wagering; provided that at all times adequate protections are**
33 **maintained to ensure sufficient funds are available to pay winnings to**
34 **patrons.**

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

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 twenty-five 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 fifty thousand dollars. Such license renewal fees and the
16 initial application fee provided for under subdivision (2) of subsection
17 2 of this section shall be deposited in the gaming commission fund and
18 distributed according to section 313.835.

19 4. Notwithstanding any other provision of law to the contrary,
20 the following information shall be confidential and shall not be
21 disclosed to the public unless required by court order or by any other
22 provision of section 313.1000 to 313.1024:

23 (1) An interactive sports wagering platform license application;
24 and

25 (2) All documents, reports, and data submitted by an interactive
26 sports wagering platform provider to the commission containing
27 proprietary information, trade secrets, financial information, or
28 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 313.1024.

4 2. The commission shall adopt rules and regulations for a sports
5 wagering self-exclusion program consistent with those adopted under
6 sections 313.800 to 313.850. Any rule or portion of a rule, as that term
7 is defined in section 536.010, that is created under the authority
8 delegated in this section shall become effective only if it complies with
9 and is subject to all of the provisions of chapter 536 and, if applicable,
10 section 536.028. This section and chapter 536 are nonseverable and if
11 any of the powers vested with the general assembly pursuant to chapter
12 536 to review, to delay the effective date, or to disapprove and annul a
13 rule are subsequently held unconstitutional, then the grant of
14 rulemaking authority and any rule proposed or adopted after August

15 28, 2020, shall be invalid and void.

16 3. The commission shall adopt rules to ensure that
17 advertisements for sports wagering:

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

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

21 (3) Provide information about or links to resources relating to
22 gambling addiction; and

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

313.1014. 1. The commission shall conduct background checks on
2 individuals seeking licenses under sections 313.1000 to 313.1024. A
3 background check conducted under this section shall be consistent with
4 the provisions of section 313.810, and shall include a search for
5 criminal history and any charges or convictions involving corruption
6 or manipulation of sporting events.

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

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

13 (b) Prohibit any individual with access to nonpublic confidential
14 information held by the certificate holder from placing sports wagers
15 with the certificate holder;

16 (c) Prevent the sharing of confidential information that could
17 affect sports wagering offered by the certificate holder or by third
18 parties until the information is made publicly available; and

19 (d) Prohibit persons from placing sports wagers as agents or
20 proxies for other persons.

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

24 3. (1) A sports governing body may notify the commission that
25 it desires to restrict, limit, or exclude sports wagers on its sporting
26 events by providing notice in the form and manner as the commission
27 may require, including, without limitation, restrictions on the sources

28 of data and associated video upon which an operator may rely in
29 offering and paying wagers and the bet types that may be
30 offered. Upon receiving such notice, the commission shall only deny a
31 request if it deems such request arbitrary and capricious. If the
32 commission denies a request, the sports governing body shall be
33 afforded notice and the right to be heard and offer proof in opposition
34 to such determination in accordance with the regulations of the
35 commission. Offering or taking wagers contrary to restrictions
36 promulgated by the commission is a violation of this section. Except in
37 relation to an emergency situation as provided in subdivision (2) of this
38 subsection, the provisions of this subsection shall not apply to tier one
39 sports wagers on non-exhibition games or events of professional sports
40 organizations or the National Collegiate Athletics Association. For the
41 purposes of this subsection, "professional sports organization" shall
42 include, but shall not be limited to, the National Football League, Major
43 League Baseball, the National Basketball Association, the National
44 Hockey League, Major League Soccer, and the Professional Golfers
45 Association. Such term shall not include minor league baseball or any
46 other developmental league, whether or not such league is affiliated
47 with a professional sports organization.

48 (2) In the event that a request is submitted in relation to an
49 emergency situation, the executive director of the commission may
50 temporarily grant the request of the sports governing body until the
51 commission makes a final determination as to whether such request is
52 arbitrary and capricious.

53 4. The commission and certificate holders shall cooperate with
54 investigations conducted by law enforcement agencies, including by
55 providing or facilitating the provision of betting information and audio
56 or video files relating to persons placing sports wagers.

57 5. A certificate holder shall immediately report to the
58 commission any information relating to:

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

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

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

64 (4) Any other conduct that corrupts the wagering outcome of a

65 sporting event or events for purposes of financial gain; and

66 (5) Suspicious or illegal wagering activities.

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

71 7. (1) Except as provided in subsection 8 of this section,
72 certificate holders may use any data source to determine the results of
73 sports wagers, provided the data is not obtained directly or indirectly
74 from live event attendees who collect the data in violation of the terms
75 of admittance to an event or through automated computer programs
76 that compile data from the internet in violation of the terms of service
77 of the relevant website or other internet platform.

78 (2) Certificate holders shall not purchase or utilize any personal
79 biometric data of an athlete unless the certificate holder has received
80 written permission from the athlete's exclusive bargaining
81 representative.

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

313.1016. 1. A certificate holder, for bets and wagers that exceed
2 ten thousand dollars in a twenty-four-hour period and that were placed
3 in person by a patron, shall maintain the following records for a period
4 of at least three years after the sporting event occurs:

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 specific information pertaining to the
9 betting window where the bet was placed;

10 (5) The outcome of the bet; and

11 **(6) Any discernable pattern of abnormal betting activity by the**
12 **patron.**

13 **2. A certificate holder, for all bets and wagers placed through an**
14 **interactive sports wagering platform, shall maintain the following**
15 **records for a period of at least three years after the sporting event**
16 **occurs:**

17 **(1) Personally identifiable information of the bettor;**

18 **(2) The amount and type of bet placed;**

19 **(3) The time and date the bet was placed;**

20 **(4) The location, including specific information pertaining to the**
21 **internet protocol address, where the bet was placed;**

22 **(5) The outcome of the bet; and**

23 **(6) Any discernable pattern of abnormal betting activity by the**
24 **patron.**

25 **3. A certificate holder shall make the records and data that it is**
26 **required to maintain under this section available for inspection upon**
27 **request of the commission or as required by court order.**

28 **4. If a sports governing body has notified the commission that**
29 **real-time information sharing for wagers placed on its sporting events**
30 **is necessary and desirable, sports wagering operators shall share in**
31 **real time, at the account level, and in pseudonymous form, the**
32 **information required to be retained under subsections 1 and 2 of this**
33 **section, other than video files, with the sports governing body or its**
34 **designee with respect to wagers on its sporting events. Such**
35 **information may be used by a sports governing body solely for integrity**
36 **purposes.**

313.1018. 1. The performance of any act required, or the
2 **forbearance of any act prohibited, by sections 313.1000 to 313.1024, 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 313.1024, and is not liable for refusing to**
9 **disclose information unless required under sections 313.1000 to**
10 **313.1024.**

11 **3. Any person, firm, corporation, association, agent, or employee**

12 who knowingly violates any procedure implemented under sections
13 313.1000 to 313.1024 shall be liable for a civil penalty of not more than
14 five thousand dollars for each violation, not to exceed fifty thousand
15 dollars for violations arising out of the same transaction or occurrence,
16 which shall accrue to the state and may be recovered in a civil action
17 brought by the commission. Any licensee who violates any provision
18 under sections 313.1000 to 313.1024 shall be subject to the actions and
19 penalties provided under subdivision (6) of section 313.805, excluding
20 any financial penalties in excess of those provided under this
21 subsection.

22 4. (1) Any person, firm, corporation, association, agent, or
23 employee who:

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

26 (b) Knowingly engages in, facilitates, or conceals conduct that
27 intends to improperly influence a betting outcome of a sporting event
28 for purposes of financial gain, in connection with betting or wagering
29 on a sporting event,
30 shall be guilty of a class E felony.

31 (2) For the purposes of this subsection, a bet or wager shall be
32 "on the basis of material nonpublic information" if the person placing
33 the bet or wager, or causing it to be placed, was aware of the material
34 nonpublic information when such person placed the bet or wager or
35 caused it to be placed. The term "material nonpublic information" shall
36 include personal biometric data.

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 one-
10 quarter 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 one-quarter 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.**

313.1021. 1. A wagering tax of nine percent is imposed on the
2 **adjusted gross receipts received from sports wagering conducted by a**
3 **certificate holder under sections 313.1000 to 313.1024. If a third party**
4 **is contracted with to conduct sports wagering at a certificate holder's**
5 **licensed facility, the third party contractor shall fulfill the certificate**
6 **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 fifty 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 313.1024, and on**
24 **each annual anniversary date thereafter. The commission shall deposit**
25 **the administrative fees received under this subsection in the gaming**
26 **commission fund and shall distribute such fees according to section**
27 **313.835.**

28 **(2) In addition to the annual administrative fee required under**
29 **this subsection, a certificate holder shall pay to the commission a fee**
30 **of ten thousand dollars to cover the costs of a full reinvestigation of the**
31 **certificate holder in the fifth year after the date on which the**

32 certificate holder commences sports wagering operations under
33 sections 313.1000 to 313.1024 and on each fifth year thereafter. The
34 commission shall deposit the fees received under this subdivision in the
35 gaming commission fund and shall distribute such fees according to
36 section 313.835.

313.1022. All sports wagers authorized under sections 313.1000
2 to 313.1024 shall be deemed initiated, received, and otherwise made on
3 the property of an excursion gambling boat within this
4 state. Consistent with the intent of the United States Congress as
5 articulated in the Unlawful Internet Gambling Enforcement Act of 2006,
6 31 U.S.C. Sections 5361 to 5367, as amended, the intermediate routing
7 of electronic data relating to lawful intrastate sports wagers authorized
8 under sections 313.1000 to 313.1024 shall not determine the location or
9 locations in which such wager is initiated, received, or otherwise made.

313.1024. 1. (1) The commission shall establish a hotline or other
2 method of communication that allows any person to confidentially
3 report information about any conduct that the person believes
4 constitutes a violation of the provisions of sections 313.1000 to 313.1024.

5 (2) The commission shall investigate all reasonable allegations
6 and shall refer any allegations that it deems credible to the appropriate
7 law enforcement entity.

8 (3) The identity of any reporting person shall remain
9 confidential unless such person authorizes disclosure of his or her
10 identity or until such time as the allegation of conduct in violation of
11 sections 313.1000 to 313.1024 is referred to law enforcement.

12 (4) If the commission receives a complaint involving an athlete,
13 referee, owner, or any other person affiliated in any way with a sports
14 governing body, the commission shall notify the appropriate sports
15 governing body.

16 (5) The commission shall promulgate rules to implement the
17 provisions of this subsection. Any rule or portion of a rule, as that
18 term is defined in section 536.010, that is created under the authority
19 delegated in this section shall become effective only if it complies with
20 and is subject to all of the provisions of chapter 536 and, if applicable,
21 section 536.028. This section and chapter 536 are nonseverable and if
22 any of the powers vested with the general assembly pursuant to chapter
23 536 to review, to delay the effective date, or to disapprove and annul a

24 rule are subsequently held unconstitutional, then the grant of
25 rulemaking authority and any rule proposed or adopted after August
26 28, 2020, shall be invalid and void.

27 2. A sports wagering operator, sports governing body,
28 professional sports franchise, or higher education institution shall not
29 discharge, demote, suspend, threaten, harass, or in any other manner
30 discriminate against an employee because of any lawful act performed
31 by the employee to provide information, cause information to be
32 provided, or otherwise assist in an investigation regarding any conduct
33 which the employee reasonably believes constitutes a violation of the
34 provisions of sections 313.1000 to 313.1024.

35 3. A person who alleges action or conduct by any person in
36 violation of subsection 2 of this section may seek relief by bringing an
37 action at law or equity in a court of competent jurisdiction.

38 4. In any action brought pursuant to subsection 3 of this section,
39 a court may find that a violation of subsection 2 of this section has
40 occurred and award judgment for the employee only if:

41 (1) The employee demonstrates by a preponderance of the
42 evidence that the actions of the employee to provide information or
43 assist in an investigation were a contributing factor to the discharge
44 or other discrimination; and

45 (2) The employer does not demonstrate, by clear and convincing
46 evidence, that the employer would have taken the same unfavorable
47 personnel action in the absence of behavior.

48 5. An action brought pursuant to subsection 3 of this section
49 shall be commenced not later than one hundred eighty days after the
50 later of:

51 (1) The date on which the violation occurs; or

52 (2) The date on which the employee became aware of the
53 violation.

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