

FIRST REGULAR SESSION

SENATE BILL NO. 506

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR BEAN.

2396S.01I

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal sections 313.800, 313.805, and 313.812, RSMo, and to enact in lieu thereof three new sections relating to gaming facilities.

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

Section A. Sections 313.800, 313.805, and 313.812, RSMo,
2 are repealed and three new sections enacted in lieu thereof, to
3 be known as sections 313.800, 313.805, and 313.812, to read as
4 follows:

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

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

7 (2) "Applicant", any person applying for a license
8 authorized under the provisions of sections 313.800 to
9 313.850;

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

13 (4) "Capital, cultural, and special law enforcement
14 purpose expenditures" shall include any disbursement,
15 including disbursements for principal, interest, and costs
16 of issuance and trustee administration related to any
17 indebtedness, for the acquisition of land, land

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

18 improvements, buildings and building improvements, vehicles,
19 machinery, equipment, works of art, intersections, signing,
20 signalization, parking lot, bus stop, station, garage,
21 terminal, hanger, shelter, dock, wharf, rest area, river
22 port, airport, light rail, railroad, other mass transit,
23 pedestrian shopping malls and plazas, parks, lawns, trees,
24 and other landscape, convention center, roads, traffic
25 control devices, sidewalks, alleys, ramps, tunnels,
26 overpasses and underpasses, utilities, streetscape,
27 lighting, trash receptacles, marquees, paintings, murals,
28 fountains, sculptures, water and sewer systems, dams,
29 drainage systems, creek bank restoration, any asset with a
30 useful life greater than one year, cultural events, and any
31 expenditure related to a law enforcement officer deployed as
32 horse-mounted patrol, school resource or drug awareness
33 resistance education (D.A.R.E) officer;

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

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

38 (7) "Credit instrument", a written check, negotiable
39 instrument, automatic bank draft or other authorization from
40 a qualified person to an excursion gambling boat licensee or
41 any of its affiliated companies licensed by the commission
42 authorizing the licensee to withdraw the amount of credit
43 extended by the licensee to such person from the qualified
44 person's banking account in an amount determined under
45 section 313.817 on or after a date certain of not more than
46 thirty days from the date the credit was extended, and
47 includes any such writing taken in consolidation, redemption
48 or payment of a previous credit instrument, but does not

49 include any interest-bearing installment loan or other
50 extension of credit secured by collateral;

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

62 (9) "Excursion gambling boat", a boat, ferry [or],
63 other floating facility, **or any nonfloating facility**
64 licensed by the commission on which gambling games are
65 allowed;

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

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

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

75 (13) "Gambling game" includes, but is not limited to,
76 games of skill or games of chance on an excursion gambling
77 boat but does not include gambling on sporting events;
78 provided such games of chance are approved by amendment to
79 the Missouri Constitution;

80 (14) "Games of chance", any gambling game in which the
81 player's expected return is not favorably increased by [his
82 or her] **the player's** reason, foresight, dexterity, sagacity,
83 design, information or strategy;

84 (15) "Games of skill", any gambling game in which
85 there is an opportunity for the player to use [his or her]
86 **the player's** reason, foresight, dexterity, sagacity, design,
87 information or strategy to favorably increase the player's
88 expected return; including, but not limited to, the gambling
89 games known as "poker", "blackjack" (twenty-one), "craps",
90 "Caribbean stud", "pai gow poker", "Texas hold'em", "double
91 down stud", and any video representation of such games;

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

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

98 (18) "Licensee", any person licensed under sections
99 313.800 to 313.850;

100 (19) "Mississippi River" and "Missouri River", the
101 water, bed and banks of those rivers, including any space
102 filled **wholly or partially** by the water of those rivers [for
103 docking purposes] in a manner approved by the commission but
104 shall not include any artificial space created after May 20,
105 1994, and is located more than one thousand feet from the
106 closest edge of the main channel of the river as established
107 by the United States Army Corps of Engineers;

108 (20) **"Nonfloating facility", any structure within one**
109 **thousand feet of the Missouri or Mississippi River that**
110 **contains at least two thousand gallons of water beneath or**
111 **inside the facility either by an enclosed space containing**

112 **such water or in rigid or semirigid storage containers or**
113 **structures;**

114 (21) "Supplier", a person who sells or leases gambling
115 equipment and gambling supplies to any licensee.

116 2. (1) In addition to the games of skill defined in
117 this section, the commission may approve other games of
118 skill upon receiving a petition requesting approval of a
119 gambling game from any applicant or licensee. The
120 commission may set the matter for hearing by serving the
121 applicant or licensee with written notice of the time and
122 place of the hearing not less than five days prior to the
123 date of the hearing and posting a public notice at each
124 commission office. The commission shall require the
125 applicant or licensee to pay the cost of placing a notice in
126 a newspaper of general circulation in the applicant's or
127 licensee's home dock city or county. The burden of proof
128 that the gambling game is a game of skill is at all times on
129 the petitioner. The petitioner shall have the affirmative
130 responsibility of establishing [his or her] **the petitioner's**
131 case by a preponderance of evidence including:

132 [(1)] (a) Is it in the best interest of gaming to
133 allow the game; and

134 [(2)] (b) Is the gambling game a game of chance or a
135 game of skill?

136 (2) All testimony shall be given under oath or
137 affirmation. Any citizen of this state shall have the
138 opportunity to testify on the merits of the petition. The
139 commission may subpoena witnesses to offer expert
140 testimony. Upon conclusion of the hearing, the commission
141 shall evaluate the record of the hearing and issue written
142 findings of fact that shall be based exclusively on the
143 evidence and on matters officially noticed. The commission

144 shall then render a written decision on the merits which
145 shall contain findings of fact, conclusions of law and a
146 final commission order. The final commission order shall be
147 within thirty days of the hearing. Copies of the final
148 commission order shall be served on the petitioner by
149 certified or overnight express mail, postage prepaid, or by
150 personal delivery.

313.805. The commission shall have full jurisdiction
2 over and shall supervise all gambling operations governed by
3 sections 313.800 to 313.850. The commission shall have the
4 following powers and shall promulgate rules and regulations
5 to implement sections 313.800 to 313.850:

6 (1) To investigate applicants and determine the
7 priority and eligibility of applicants for a license and to
8 select among competing applicants for a license the
9 applicant which best serves the interests of the citizens of
10 Missouri;

11 (2) To license the operators of excursion gambling
12 boats and operators of gambling games within such boats, to
13 identify occupations within the excursion gambling boat
14 operations which require licensing, and adopt standards for
15 licensing the occupations including establishing fees for
16 the occupational licenses and to license suppliers;

17 (3) To adopt standards under which all excursion
18 gambling boat operations shall be held and standards for the
19 facilities within which the gambling operations are to be
20 held. Notwithstanding the provisions of chapter 311 to the
21 contrary, the commission may authorize the operation of
22 gambling games on an excursion gambling boat which is also
23 licensed to sell or serve alcoholic beverages, wine, or
24 beer. The commission shall regulate the wagering structure
25 for gambling excursions, provided that the commission shall

not establish any regulations or policies that limit the amount of wagers, losses, or buy-in amounts;

(4) To enter the premises of excursion gambling boats, facilities, or other places of business of a licensee within this state to determine compliance with sections 313.800 to 313.850;

(5) To investigate alleged violations of sections 313.800 to 313.850 or the commission rules, orders, or final decisions;

(6) To assess any appropriate administrative penalty against a licensee, including, but not limited to, suspension, revocation, and penalties of an amount as determined by the commission up to three times the highest daily amount of gross receipts derived from wagering on the gambling games, whether unauthorized or authorized, conducted during the previous twelve months as well as confiscation and forfeiture of all gambling game equipment used in the conduct of unauthorized gambling games. Forfeitures pursuant to this section shall be enforced as provided in sections 513.600 to 513.645;

(7) To require a licensee, an employee of a licensee or holder of an occupational license to remove a person violating a provision of sections 313.800 to 313.850 or the commission rules, orders, or final orders, or other person deemed to be undesirable from the excursion gambling boat or adjacent facilities;

(8) To require the removal from the premises of a licensee, an employee of a licensee, or a holder of an occupational license for a violation of sections 313.800 to 313.850 or a commission rule or engaging in a fraudulent practice;

57 (9) To require all licensees to file all financial
58 reports required by rules and regulations of the commission;

59 (10) To issue subpoenas for the attendance of
60 witnesses and subpoenas duces tecum for the production of
61 books, records, and other pertinent documents, and to
62 administer oaths and affirmations to the witnesses, when, in
63 the judgment of the commission, it is necessary to enforce
64 sections 313.800 to 313.850 or the commission rules;

65 (11) To keep accurate and complete records of its
66 proceedings and to certify the records as may be appropriate;

67 (12) To ensure that the gambling games are conducted
68 fairly. No gambling device shall be set to pay out less
69 than eighty percent of all wagers;

70 (13) To require all licensees of gambling game
71 operations to use a cashless wagering system whereby all
72 players' money is converted to physical or electronic
73 tokens, electronic cards, or chips which only can be used on
74 the excursion gambling boat;

75 (14) To require excursion gambling boat licensees to
76 develop a system, approved by the commission, that allows
77 patrons the option to prohibit the excursion gambling boat
78 licensee from using identifying information for marketing
79 purposes. The provisions of this subdivision shall apply
80 only to patrons giving identifying information for the first
81 time. Such system shall be submitted to the commission by
82 October 1, 2000, and approved by the commission by January
83 1, 2001. The excursion gambling boat licensee shall use
84 identifying information obtained from patrons who have
85 elected to have marketing blocked under the provisions of
86 this section only for the purposes of enforcing the
87 requirements contained in sections 313.800 to 313.850. This
88 section shall not prohibit the commission from accessing

89 identifying information for the purposes of enforcing
90 section 313.004 and sections 313.800 to 313.850;

91 (15) To determine which of the authorized gambling
92 games will be permitted on any licensed excursion gambling
93 boat;

94 (16) [Excursion gambling boats shall cruise, unless
95 the commission finds that the best interest of Missouri and
96 the safety of the public indicate the need for continuous
97 docking of the excursion gambling boat in any city or county
98 authorized pursuant to subsection 10 of section 313.812.]

99 The commission shall base its decision to [allow
100 continuously docked] **license** excursion gambling boats on any
101 of the following criteria: the docking location or the
102 excursion cruise could cause danger to the boat's
103 passengers, violate federal law or the law of another state,
104 or cause disruption of interstate commerce or possible
105 interference with railway or barge transportation. [In
106 addition,] The commission shall consider economic
107 feasibility or impact that would benefit land-based
108 development and permanent job creation. The commission
109 shall not discriminate among applicants for [continuous-
110 docking] excursion gambling **boats** that are similarly
111 situated with respect to the criteria set forth in this
112 section;

113 (17) The commission shall render a finding concerning
114 [the possibility of continuous docking, as described in
115 subdivision (15) of this section,] **the transition from a**
116 **boat, barge, or floating facility to a nonfloating facility**
117 within thirty days after a hearing on any request from an
118 applicant or licensee. Such hearing may be held prior to
119 any final action on licensing to assist an applicant and any

120 city or county in the finalizing of their economic
121 development plan;

122 (18) To require any applicant for a license or renewal
123 of a license to operate an excursion gambling boat to
124 provide an affirmative action plan which has as its goal the
125 use of best efforts to achieve maximum employment of African-
126 Americans and other minorities and maximum participation in
127 the procurement of contractual purchases of goods and
128 services. This provision shall be administered in
129 accordance with all federal and state employment laws,
130 including Title VII of the Civil Rights Act of 1964, as
131 amended by the Civil Rights Act of 1991. At license
132 renewal, the licensee will report on the effectiveness of
133 the plan. The commission shall include the licensee's
134 reported information in its annual report to the joint
135 committee on gaming and wagering;

136 (19) To take any other action as may be reasonable or
137 appropriate to enforce sections 313.800 to 313.850 and the
138 commission rules.

313.812. 1. **(1)** The commission may issue licenses
2 pursuant to subsection 1 of section 313.807 when it is
3 satisfied that the applicant has complied with all rules and
4 regulations, including an update of all information provided
5 to the commission in the licensee's initial application.
6 The commission shall decide the number, location and type of
7 excursion gambling boat in a city or county under subsection
8 10 of this section. The license shall set forth the name of
9 the licensee, the type of license granted, the place where
10 the excursion gambling boat will operate [and] **or** dock,
11 including the docking of an excursion gambling boat which is
12 continuously docked, and other information the commission
13 deems appropriate. The commission shall have the ultimate

responsibility of deciding the number, location, and type of excursion gambling boats licensed in a city or county; however, any city or county which has complied with the provisions of subsection 10 of this section shall submit to the commission a plan outlining the following:

[(1)] (a) The recommended number of licensed excursion gambling boats operating in such city or county;

[(2)] (b) The recommended licensee or licensees operating in such city or county;

[(3)] (c) The community's economic development or impact and affirmative action plan concerning minorities' and women's ownership, contracting and employment for the waterfront development;

[(4)] (d) The city or county proposed sharing of revenue with any other municipality;

[(5)] (e) Any other information such city or county deems necessary; and

[(6)] (f) Any other information the commission may determine is necessary.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

105 9. Except as provided in section 313.817, a licensee
106 shall not lend to any person money or any other thing of
107 value for the purpose of permitting that person to wager on
108 any gambling game authorized by law. This does not prohibit

credit card or debit card transactions or cashing of checks. Any check cashed, other than a credit instrument, **[must] shall** be deposited within twenty-four hours. Except for any credit instrument, the commission may require licensees to verify a sufficient account balance exists before cashing any check. Any licensee who violates the provisions of this subsection shall be subject to an administrative penalty of five thousand dollars for each violation. Such administrative penalties shall be assessed and collected by the commission.

10. **(1)** Gambling excursions including the operation of gambling games on an excursion gambling boat which is not continuously docked shall be allowed only on the Mississippi River and the Missouri River. No license to conduct gambling games on an excursion gambling boat in a city or county shall be issued unless and until the qualified voters of the city or county approve such activities pursuant to this subsection. The question shall be submitted to the qualified voters of the city or county at a general, primary or special election upon the motion of the governing body of the city or county or upon the petition of fifteen percent of the qualified voters of the city or county determined on the basis of the number of votes cast for governor in the city or county at the last election held prior to the filing of the petition.

(2) The question shall be submitted in substantially the following form:

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

140

☐ YES☐ NO

141 **(3)** If a majority of the votes cast on the question by
142 the qualified voters voting thereon are in favor of the
143 question, then the commission may license excursion gambling
144 boats in that city or county and such boats may operate on
145 the Mississippi River and the Missouri River. If a majority
146 of the votes cast on the question by the qualified voters
147 voting thereon are opposed to the question, then the
148 commission shall not license such excursion gambling boats
149 in such city or county unless and until the question is
150 again submitted to and approved by a majority of the
151 qualified voters of the city or county at a later election.
152 Excursion gambling boats may only dock in a city or
153 unincorporated area of a county which approves licensing of
154 such excursion gambling boats pursuant to this subsection,
155 but gambling operations may be conducted at any point on the
156 Mississippi River or the Missouri River during an
157 excursion. Those cities and counties which have approved by
158 election pursuant to this subsection, except those cities or
159 counties which have subsequently rejected by election, the
160 licensing of any type of excursion gambling boats in the
161 city or county prior to April 6, 1994, are exempt from any
162 local election requirement of this section as such previous
163 election shall have the same effect as if held after May 20,
164 1994.

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

168 12. Any licensee shall not be delinquent in the
169 payment of property taxes or other taxes or fees or in the

170 payment of any other contractual obligation or debt due or
171 owed to the state or a political subdivision of the state.

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

182 14. A holder of any license shall be subject to
183 imposition of penalties, suspension or revocation of such
184 license, or if the person is an applicant for licensure, the
185 denial of the application, for any act or failure to act by
186 [himself] **such person** or [his] **such person's** agents or
187 employees, that is injurious to the public health, safety,
188 morals, good order and general welfare of the people of the
189 state of Missouri, or that would discredit or tend to
190 discredit the Missouri gaming industry or the state of
191 Missouri unless the licensee proves by clear and convincing
192 evidence that it is not guilty of such action. The
193 commission shall take appropriate action against any
194 licensee who violates the law or the rules and regulations
195 of the commission. Without limiting other provisions of
196 this subsection, the following acts or omissions may be
197 grounds for such discipline:

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

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

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

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

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

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

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

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

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

✓