

FIRST REGULAR SESSION

SENATE BILL NO. 98

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOSKINS.

0740S.02I

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal sections 313.230 and 313.800, RSMo, and to enact in lieu thereof twenty-six new sections relating to gaming, with penalty provisions.

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

Section A. Sections 313.230 and 313.800, RSMo, are
2 repealed and twenty-six new sections enacted in lieu thereof,
3 to be known as sections 313.230, 313.425, 313.427, 313.429,
4 313.431, 313.433, 313.434, 313.435, 313.437, 313.800, 313.1000,
5 313.1002, 313.1003, 313.1004, 313.1006, 313.1008, 313.1010,
6 313.1012, 313.1014, 313.1016, 313.1018, 313.1019, 313.1020,
7 313.1021, 313.1022, and 313.1024, to read as follows:

313.230. The commission shall:

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

6 (a) The type of lottery to be conducted, [except no
7 lottery may use any coin- or token-operated amusement device
8 and no lottery game shall be based in any form on the
9 outcome of sporting events. However, it shall be legal to]
10 **including the use of clerk- or player-activated terminals[,
11 which are coin- or currency-operated,] to conduct lottery
12 games, to offer electronic lottery game plays on approved
13 devices, to print lottery tickets, and to dispense lottery
14 tickets;**

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

15 (b) The price, or prices, of tickets or shares
16 **including electronically generated tickets or shares**, in the
17 lottery;

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

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

22 (e) The manner of payment of prizes to the holders of
23 winning tickets or shares;

24 (f) The frequency of the drawings or selections of
25 winning tickets or shares, without limitation;

26 (g) The types or numbers of locations at which tickets
27 or shares may be sold and the method to be used in selling
28 tickets or shares;

29 (h) The method to be used in selling tickets or shares;

30 (i) The licensing of lottery game retailers to sell
31 tickets or shares;

32 (j) The manner and amount of compensation, including
33 commissions, ticket discounts, incentives and any other
34 remuneration, to be paid to or retained by lottery game
35 retailers;

36 (k) The apportionment of the total revenues accruing
37 from the sale of lottery tickets or shares and from all
38 other sources among:

39 a. The payment of prizes to the holders of winning
40 tickets or shares;

41 b. The payment of costs incurred in the operation and
42 administration of the lottery, including the expenses of the
43 commission and the costs resulting from any contract or
44 contracts entered into for promotional, advertising or
45 operational services or for the purchase or lease of lottery
46 equipment and materials;

47 c. For the repayment to the general revenue fund of
48 any amount appropriated for initial start-up of the lottery;
49 and

50 d. For timely transfer to the state lottery fund as
51 provided by law;

52 [(1)] (2) Such other matters necessary or desirable
53 for the efficient and economical operation and
54 administration of the lottery and for the convenience of the
55 purchasers of tickets or shares and the holders of winning
56 tickets or shares. The commission may disburse money for
57 payment of lottery prizes;

58 [(2)] (3) Amend, repeal, or supplement any such rules
59 and regulations from time to time as it deems necessary or
60 desirable;

61 [(3)] (4) Advise and make recommendations to the
62 director regarding the operation and administration of the
63 lottery;

64 [(4)] (5) Report quarterly to the governor and the
65 general assembly the total lottery revenues, prize
66 disbursements and other expenses for the preceding quarter,
67 and to make an annual report, which shall include a full and
68 complete statement of lottery revenues, prize disbursements
69 and other expenses, to the governor and the general
70 assembly, and including such recommendations for changes in
71 sections 313.200 to 313.350 as it deems necessary or
72 desirable;

73 [(5)] (6) Report to the governor and general assembly
74 any matters which shall require immediate changes in the
75 laws of this state in order to prevent abuses and evasions
76 of sections 313.200 to 313.350 or rules and regulations
77 promulgated thereunder or to rectify undesirable conditions

78 in connection with the administration or operation of the
79 lottery;

80 **[(6)] (7)** Carry on a continuous study and
81 investigation of the lottery throughout the state and to
82 make a continuous study and investigation of the operation
83 and the administration of similar laws which may be in
84 effect in other states or countries, any literature on the
85 subject which from time to time may be published or
86 available, any federal laws which may affect the operation
87 of the lottery, and the reaction of Missouri citizens to
88 existing and potential features of the lottery with a view
89 to recommending or effecting changes that will tend to serve
90 the purposes of sections 313.200 to 313.350;

91 **[(7)] (8)** Ensure that all employees of the state
92 lottery commission hired after July 12, 1990, shall not be
93 related to any member of the state lottery commission or any
94 employee of the state lottery commission within the third
95 degree of consanguinity or affinity.

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

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

3 **(1) "Centralized computer system", a computerized
4 system developed or procured by the commission that video
5 lottery game terminals are connected to using standard
6 industry protocols that can activate or deactivate a
7 particular video lottery game terminal from a remote
8 location, and that is capable of monitoring and auditing
9 video lottery game plays;**

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

13 (3) "Fraternal organization", any organization within
14 this state operating under the lodge system which exists for
15 the common benefit, brotherhood, or other interest of its
16 members, except college fraternities and sororities, of
17 which no part of the net earnings inures to the benefit of
18 any private shareholder or any individual member of such
19 organization, which has been exempted from the payment of
20 federal income tax, and which derives its charter from a
21 national fraternal organization which regularly meets;

22 (4) "Truck stop", a location that provides parking and
23 is equipped for fueling commercial vehicles, that has sold
24 on average ten thousand gallons of diesel or biodiesel fuel
25 each month for the previous twelve months or is projected to
26 sell an average of ten thousand gallons of diesel or
27 biodiesel fuel each month for the next twelve months, that
28 is situated on two acres or more of land that operates a
29 convenience store and that obtains and maintains a lottery
30 game retailer license issued by the commission to offer
31 lottery games played on video lottery game terminals;

32 (5) "Veterans' organization", a post or organization
33 of veterans, or an auxiliary unit or society of, or a trust
34 or foundation for, any such post or organization organized
35 in the United States or any of its possessions in which at
36 least seventy-five percent of the members are veterans of
37 the United States Armed Forces and substantially all of the
38 other members are individuals who are veterans or are
39 cadets, or are spouses, widows or widowers of war veterans
40 of such individuals, in which no part of the net earnings
41 inures to the benefit of any private shareholder or

42 individual, and which has been exempted from payment of
43 federal income taxes;

44 (6) "Video lottery game", any lottery game approved by
45 the commission for play on an approved video lottery game
46 terminal where the outcome of such game is determined
47 randomly;

48 (7) "Video lottery game adjusted gross receipts", the
49 total of cash or cash equivalents used for the play of a
50 video lottery game on a video lottery game terminal minus
51 cash or cash equivalent paid to players as a result of
52 playing video lottery games on a video lottery game terminal;

53 (8) "Video lottery game handler", a person employed by
54 a licensed video lottery game operator and who is licensed
55 by the commission to handle, place, operate, and service
56 video lottery game terminals and associated equipment;

57 (9) "Video lottery game manufacturer" or
58 "distributor", any person licensed by the commission that
59 manufactures video lottery game terminals or major parts and
60 components for video lottery game terminals as approved by
61 the lottery commission for sale to licensed video lottery
62 game operators, or a person licensed by the commission to
63 distribute or service video lottery game terminals or major
64 parts and components of video lottery game terminals
65 including buying, selling, leasing, renting, or financing
66 new, used, or refurbished video lottery game terminals to
67 and from licensed video lottery game manufacturers and
68 licensed video lottery game operators;

69 (10) "Video lottery game operator", a person licensed
70 by the commission that owns, rents, or leases and services
71 or maintains video lottery game terminals for placement in
72 licensed video lottery retailer establishments;

73 (11) "Video lottery game retailer", a retail
74 establishment meeting the requirements of a lottery game
75 retailer under section 313.260, that secures and maintains a
76 license to conduct video lottery games played on a video
77 lottery game terminal or terminals and that is a fraternal
78 organization, veterans organization, or truck stop; or any
79 entity that secures and maintains a license to conduct video
80 lottery games played on a video lottery game terminal or
81 terminals and is licensed pursuant to chapter 311 to sell
82 liquor, beer, or wine for on-premise consumption;

83 (12) "Video lottery game terminal", a player-activated
84 terminal that exchanges coins, currency, tickets, ticket
85 vouchers, or electronic payment methods approved by the
86 commission for credit on such terminal used to play video
87 lottery games approved by the commission. Such video
88 lottery game terminals shall use a video display and
89 microprocessor capable of randomly generating the outcome of
90 such video lottery games and be capable of printing and
91 issuing a ticket at the conclusion of any video lottery game
92 play that may be redeemed at a video lottery game ticket
93 redemption terminal or may be reinserted into a video
94 lottery game terminal at the retail establishment where it
95 was printed for video lottery game credit and game plays.
96 All video lottery games approved by the commission for play
97 on a video lottery game terminal shall have a minimum
98 theoretical payout of eighty-five percent;

99 (13) "Video lottery game terminal credit", one cent,
100 five cents, ten cents, or twenty-five cents either won or
101 purchased by a player on a video lottery game terminal that
102 may be used to play video lottery games and that may be
103 converted into a video lottery game ticket;

104 (14) "Video lottery game ticket" or "ticket", a
105 document printed at the conclusion of any video lottery game
106 play or group of plays on a video lottery game terminal that
107 is redeemable for cash utilizing a video lottery game ticket
108 redemption terminal or that may be reinserted into a video
109 lottery game terminal in the establishment from which such
110 ticket is issued for video lottery game terminal credit;

111 (15) "Video lottery game ticket redemption terminal",
112 the collective hardware, software, communications
113 technology, and other ancillary equipment used to facilitate
114 the payment of tickets cashed out by players as a result of
115 playing a video lottery game terminal.

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

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

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

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

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

25 2. Under no circumstances shall the commission:

26 (1) Authorize or allow a single vendor or licensee to
27 implement the system of video lottery game terminals created
28 under this section; or

29 (2) Allow a single licensed video lottery game
30 operator to control or operate more than twenty-five percent
31 of video lottery game terminals in the state after December
32 31, 2026.

33 3. (1) The video lottery game system authorized by
34 this section shall allow for multiple video lottery game
35 manufacturers, video lottery game distributors, and video
36 lottery game operators to encourage private sector
37 investment and job opportunities for Missouri citizens.
38 Video lottery game terminals shall be connected to a
39 centralized computer system developed or procured by the
40 commission. The commission shall provide licensed video
41 lottery game operators with the necessary protocols to
42 connect the operators' video lottery game terminal or
43 terminals to the centralized computer system after such
44 terminal or terminals have been approved by the commission.
45 No video lottery game terminal shall be placed in operation
46 without first connecting to the centralized computer system
47 after such terminal or terminals have been approved by the
48 commission. A vendor that provides the centralized computer
49 system authorized under this subsection shall not be
50 eligible to be licensed as a video lottery game operator or

51 video lottery game retailer. The commission may impose an
52 initial nonrefundable license application fee to cover the
53 cost of investigating the background of the licensee,
54 including a criminal background check, as follows:

55 (a) For video lottery game manufacturers, video
56 lottery game distributors, and video lottery game operators,
57 no more than fifteen thousand dollars;

58 (b) For video lottery game retailer establishments, no
59 more than five hundred dollars; or

60 (c) For video lottery game handlers, no more than one
61 hundred dollars.

62 (2) The initial license shall be for a period of one
63 year. Thereafter, license renewal periods shall be four
64 years with the applicable annual renewal fee paid for each
65 year of such license renewal in advance. Annual license
66 renewal fees for anyone licensed pursuant to this
67 subsection, and subsequent to the initial one-year period
68 shall be as follows:

69 (a) Five thousand dollars for video lottery game
70 manufacturers, video lottery game distributors, and video
71 lottery game operators;

72 (b) Fifty dollars for video lottery game handlers; and

73 (c) Five hundred dollars for each video lottery game
74 retailer's establishment.

75 (3) In addition to the license fees required in
76 subdivisions (1) and (2) of this subsection, video lottery
77 game operators shall pay the commission an annual license
78 fee of two hundred dollars for each video lottery game
79 terminal placed in service. Such video lottery game
80 terminal license shall be renewed each year and cost two
81 hundred dollars. A license issued under this subsection is
82 nontransferable.

83 (4) Nothing in this subsection shall be construed to
84 relieve the licensee of the affirmative duty to notify the
85 commission of any change relating to the status of the
86 license or to any other information contained in the
87 application materials on file with the commission.

88 4. No license shall be issued to any person, and no
89 person shall be allowed to serve as a sales agent, who has
90 been convicted of a felony or a crime involving illegal
91 gambling. Sales agents shall register with the commission
92 and may not solicit or enter into any agreement with a
93 retailer or retail establishment prior to such registration
94 with the commission.

95 5. No license requirement, sticker fee, or tax shall
96 be imposed by any local jurisdiction upon a video lottery
97 game manufacturer, video lottery game distributor, video
98 lottery game operator, video lottery game retailer, video
99 lottery game handler, or video lottery game terminal or an
100 establishment relating to the operation of video lottery
101 games, video lottery game terminals, or associated equipment.

102 6. (1) Video lottery game terminals shall meet
103 independent testing standards approved by the commission, as
104 tested by one or more approved independent test labs, and be
105 capable of randomly generating the outcome of video lottery
106 games approved by the commission. Video lottery game
107 terminals shall be capable of printing a ticket redeemable
108 for winning video lottery game plays. Such video lottery
109 game terminals shall be inspected and approved by the
110 commission prior to being sold, leased, or transferred.

111 (2) Licensed video lottery game manufacturers may buy,
112 sell, or lease new or refurbished video lottery game
113 terminals to and from licensed video lottery game
114 distributors.

115 (3) Licensed video lottery game distributors may buy,
116 sell, or lease new or refurbished video lottery game
117 terminals to or from licensed video lottery game
118 manufacturers or licensed video lottery game operators.

119 7. (1) Licensed video lottery game operators:

120 (a) May buy, lease, or rent video lottery game
121 terminals from licensed video lottery game manufacturers,
122 operators, or distributors;

123 (b) May handle, place, and service video lottery game
124 terminals;

125 (c) Shall connect such video lottery game terminals to
126 the centralized computer system approved by the commission;
127 and

128 (d) Shall, notwithstanding the provisions of section
129 313.321 to the contrary, pay all video lottery game winnings
130 using a video lottery game ticket redemption terminal. Such
131 video lottery ticket redemption terminal shall be located
132 within the video lottery game retailer's establishment in
133 direct proximity of where such video lottery games are
134 offered. Video lottery game operators shall pay the
135 commission thirty-two percent of any unclaimed cash prize
136 associated with a winning ticket that has not been redeemed
137 within one hundred eighty days of issue.

138 Rents or leases for video lottery game terminals shall be
139 written at a flat rate and shall not include revenue
140 splitting as a method used in the calculation of the lease
141 or rent.

142 (2) Licensed video lottery game operators and licensed
143 video lottery game retailers shall enter into a written
144 agreement for the placement of video lottery game
145 terminals. The agreement shall be on a form approved by the

146 commission and shall specify an equal division of adjusted
147 gross receipts between the video lottery game operator and
148 the video lottery game retailer after adjustments for taxes
149 and administrative fees are made. A video lottery game
150 operator shall be responsible for remitting to the
151 commission and the video lottery game retailer its share of
152 adjusted gross receipts. Nothing in this subdivision shall
153 prohibit a licensed video lottery game operator from
154 entering into an agreement with a sales agent for retailer
155 agreements provided such agreement is in writing and
156 approved by the commission prior to beginning sales
157 activities and prior to the start date established pursuant
158 to section 313.431. Video lottery game operators and their
159 sales agents and affiliates and video lottery game retailers
160 are specifically prohibited from offering anything of value,
161 other than the percentage of adjusted gross receipts
162 provided under this subsection, or entering into an
163 agreement with a retailer prior to the start date for the
164 initial or continued placement of video lottery game
165 terminals. Contract agreements entered into prior to the
166 start date established pursuant to section 313.431 between a
167 prospective video lottery game terminal operator or sales
168 agent with a prospective video lottery game retailer shall
169 be invalid. Persons violating this subdivision shall
170 forfeit their right to a license to operate video lottery
171 game terminals for a period of one year.

172 (3) To combat problem gambling, video lottery game
173 operators shall allow players to be self-excluded from video
174 lottery game play. Operators shall provide the commission
175 with a list of players that have elected to be excluded from
176 video lottery game play within thirty days of such election
177 and shall update such list periodically as required by the

178 commission. Such self-excluded list shall be considered
179 confidential information and shall not be released to the
180 public. The commission shall issue such self-exclusion
181 procedures by rule.

182 (4) Nothing in this section shall be construed to
183 prevent a video lottery game operator or a video lottery
184 retailer from using a player rewards system as approved by
185 the commission. No player shall be required to enroll in a
186 rewards program offered by a video lottery game operator or
187 video lottery game retailer as a condition to play video
188 lottery games.

189 8. No licensed video lottery game operator shall:

190 (1) Offer video lottery gaming terminals that directly
191 dispense anything of value except for tickets for winning
192 plays. Tickets shall be dispensed by pressing the ticket
193 dispensing button on the video lottery gaming terminal at
194 the end of any video lottery game play. The ticket shall
195 indicate the total amount of video lottery game terminal
196 credits and the cash award, the time of day in a 24-hour
197 format showing hours and minutes, the date, the terminal
198 serial number, the sequential number of the ticket, and an
199 encrypted validation number from which the validity of the
200 prize may be determined. The cost of the video lottery game
201 terminal credits shall be one cent, five cents, ten cents,
202 or twenty-five cents, and the maximum wager played per video
203 lottery game shall not exceed five dollars, with the payoff
204 for a winning maximum wager for a single game play being no
205 more than one thousand dollars;

206 (2) Operate more than ten video lottery game terminals
207 per location on the premises of a fraternal organization,
208 veterans organization, or truck stop that has secured and
209 maintains a video lottery game retailer's license;

210 (3) Operate more than five video lottery game
211 terminals per location on the premises of any business
212 entity licensed as a video lottery game retailer
213 establishment with a license issued pursuant to chapter 311
214 to sell liquor by the drink for on-premise consumption;

215 (4) Advertise video lottery games outside of a
216 licensed video lottery game retailer's establishment through
217 any media outlets or direct mail or telephone
218 solicitations. The advertising prohibition contained in
219 this subdivision shall apply to all licensees including, but
220 not limited to, video lottery game manufacturers, video
221 lottery game distributors, video lottery game operators,
222 video lottery game retailers, and video lottery game
223 handlers, except that a video lottery retailer may
224 participate in an advertising program that is promoted
225 through and sponsored by the state lottery and may advertise
226 in or on the outside of the establishment's building and
227 parking lot;

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

231 9. (1) A person under twenty-one years of age shall
232 not play video lottery games, and such video lottery game
233 terminals shall be under the supervision of a person that is
234 at least twenty-one years of age to prevent persons under
235 twenty-one years of age from playing video lottery games.
236 Video lottery game terminals shall be placed in a fully
237 enclosed room that is continually monitored by video
238 surveillance and where access to persons under twenty-one
239 years of age is denied by a procedure approved by the
240 commission. A warning sign shall be posted in a conspicuous
241 location where such video lottery game terminals are

242 located, containing in red lettering at least one-half inch
243 high on a white background the following:

244 "YOU MUST BE AT LEAST 21 YEARS OF AGE TO PLAY
245 VIDEO LOTTERY GAMES"

246 In addition to the placement and supervision requirements of
247 this subsection, a video lottery game operator shall provide
248 video surveillance in the immediate area of the video
249 lottery game retailer's establishment where video lottery
250 game terminals are located. Recorded video from such
251 surveillance system shall be made available to the
252 commission upon request and shall be reviewed by video
253 lottery game operators as required by the commission for any
254 violation of law, rules, or regulations governing the
255 conduct of video lottery games. A video lottery game
256 operator that fails to review such surveillance video and
257 report any known violation of law, rules, or regulations
258 governing the conduct of video lottery games in conformance
259 with established commission procedures may be subject to an
260 administrative fine not to exceed five thousand dollars.
261 Any video lottery game retailer that fails to report any
262 known violation of law, rules, or regulations governing the
263 conduct of video lottery games in conformance with
264 established commission procedures may be subject to an
265 administrative fine not to exceed five thousand dollars. In
266 the event a video lottery game operator or retailer is found
267 to have knowingly committed a violation governing the
268 conduct of video lottery games, the commission may impose an
269 administrative fine not to exceed five thousand dollars,
270 suspend such operator's or retailer's license for up to
271 thirty days, or in the case of repeated violations revoke
272 such operator's or retailer's license for a period of one

273 year. Any video lottery game operator or retailer aggrieved
274 by the commission's decision in any disciplinary action that
275 results in the suspension or revocation of such operator's
276 or retailer's video lottery game license may appeal such
277 decision by filing an action in circuit court. The
278 commission shall refer a violation of the criminal code,
279 with any evidence thereof, to the appropriate law
280 enforcement officials. Video lottery game retailers shall
281 provide an intrusion detection system capable of detecting
282 unauthorized entrance of the video lottery game retailer's
283 establishment during nonbusiness hours and shall report to
284 the commission any unauthorized entrance of the video
285 lottery game retailer's establishment. Such surveillance
286 and intrusion detection system shall meet specifications as
287 defined by the commission.

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

293 10. (1) Video lottery game operators shall pay the
294 commission thirty-six percent of the video lottery game
295 adjusted gross receipts, which shall be deposited in the
296 state lottery fund. The commission shall transfer, subject
297 to appropriation, the amount received from the operator from
298 the lottery fund to the lottery proceeds fund after
299 administrative expenses equal to four percent of the video
300 lottery game adjusted gross receipts are paid to the
301 municipality where a licensed video lottery game retailer
302 maintains an establishment licensed for the operation of
303 video lottery game terminals, or if such licensed
304 establishment is not located within the corporate boundaries

305 of a municipality, then the county where such licensed
306 establishment is located to reimburse such municipality or
307 county for administrative expenses, and any administrative
308 expenses for the commission that are not covered by
309 reimbursements from operators are deducted. Net proceeds
310 transferred to the lottery proceeds fund shall be
311 appropriated equally to public elementary and secondary
312 education and public institutions of higher education with
313 an emphasis on funding elementary and secondary education
314 student transportation costs pursuant to section 163.161,
315 and public institutions of higher education workforce
316 development programs.

317 (2) Video lottery game operators shall retain the
318 remainder of the video lottery game adjusted gross receipts,
319 a portion of which shall be utilized to pay for
320 administrative expenses which shall include the cost of the
321 centralized computer system, which cost shall be paid by
322 video lottery game operators in proportion to the number of
323 video lottery game terminals operated. Fifty percent of the
324 costs of the centralized computer system shall be
325 apportioned by the video lottery game operator among video
326 lottery game retailers to which it provides operations based
327 on the number of video lottery game terminals located at the
328 video lottery game retailer's establishment. The remainder
329 of adjusted gross receipts retained by the video lottery
330 game operator, after the cost of the centralized computer
331 system and administrative costs are paid and apportioned,
332 shall be divided equally between the video lottery game
333 operator and video lottery game retailer as agreed under
334 subdivision (2) of subsection 6 of this section.

335 11. All revenues received by the commission from
336 license fees and any reimbursements associated with the

337 administration of the provisions of sections 313.425 to
338 313.437, and all interest earned thereon, shall be
339 considered administrative expenses and shall be deposited in
340 the state lottery fund. Moneys deposited into the state
341 lottery fund from license fees and any reimbursements of
342 commission administrative expenses to administer sections
343 313.425 to 313.437 shall be considered administrative
344 expenses and shall not be considered net proceeds pursuant
345 to Article III, Section 39(b) of the Missouri Constitution.
346 Subject to appropriation, up to one percent of such license
347 fees shall be deposited to the credit of the compulsive
348 gamblers fund created under section 313.842. The remainder
349 of the money deposited in the state lottery fund from video
350 lottery game license fees and any reimbursements of
351 commission administrative expenses to enforce sections
352 313.425 to 313.437 shall, subject to appropriation, be used
353 for administrative expenses associated with supervising and
354 enforcing the provisions of sections 313.425 to 313.437.

355 12. The commission shall contract with a state law
356 enforcement entity to assist in conducting investigations
357 into applicants for any video lottery game license and to
358 investigate violations by any retail lottery game licensee
359 of any of the provisions of sections 313.425 to 313.437 or
360 state law regulating illegal gambling activities referred by
361 the commission. A video lottery game licensee suspected of
362 a violation shall be afforded an administrative hearing by
363 the director on the record and any action taken to impose a
364 fine on such licensee, or to suspend or revoke the ability
365 of a licensee to offer lottery game products for sale, shall
366 be appealed to the commission. Any such administrative
367 suspension or revocation upheld by the commission may be

368 appealed by the video lottery game licensee in a state court
369 of competent jurisdiction.

370 13. The possession or use of any video gaming
371 terminal, machine, or device capable of simulating lottery
372 games, games of chance, or gambling games, whether or not
373 there is an element of skill involved, that uses a video
374 display and microprocessor capable of randomly generating
375 the outcome of such games in the possession of any video
376 lottery game licensee that is not authorized by the
377 commission, shall be a violation of sections 313.425 to
378 313.437. The commission shall have the power to investigate
379 suspected violations by any lottery license holder and to
380 refer any violations or suspected violations to the
381 appropriate law enforcement authority. Any lottery vendor
382 or licensee that violates the provisions of this subsection
383 shall be deemed guilty of a class D felony and fined up to
384 ten thousand dollars per occurrence, and such fines shall be
385 deposited in the compulsive gamblers fund created under
386 section 313.842. The commission shall suspend or revoke the
387 license of any lottery vendor or licensee that allows the
388 use of any video terminal, gambling machine, or device other
389 than a video lottery game terminal authorized pursuant to
390 sections 313.425 to 313.437.

391 14. The commission shall adopt rules for the
392 implementation of the video lottery game system authorized
393 under sections 313.425 to 313.437, including, but not
394 limited to, the placement of video lottery terminals within
395 a retail establishment and for the active oversight of the
396 conduct of video lottery games. Any rule or portion of a
397 rule, as that term is defined in section 536.010, that is
398 created under the authority delegated in this section shall
399 become effective only if it complies with and is subject to

400 all of the provisions of chapter 536 and, if applicable,
401 section 536.028. This section and chapter 536 are
402 nonseverable and if any of the powers vested with the
403 general assembly pursuant to chapter 536 to review, to delay
404 the effective date, or to disapprove and annul a rule are
405 subsequently held unconstitutional, then the grant of
406 rulemaking authority and any rule proposed or adopted after
407 August 28, 2021, shall be invalid and void.

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

4 (1) Contract for the supply and operation of a
5 centralized computer system for video lottery games within
6 one hundred twenty days of the effective date of this act;

7 (2) Make license applications for video lottery game
8 manufacturers, video lottery game distributors, video
9 lottery game operators, video lottery game retailers, and
10 video lottery game handlers available to applicants and
11 promulgate any emergency or regular rules and regulations
12 needed for the implementation of the video lottery system
13 authorized under sections 313.425 to 313.437 within one
14 hundred twenty days of the effective date of this act;

15 (3) Issue an approved form for persons applying for a
16 video lottery game terminal operator's license available for
17 use in contracting with a video lottery game retailer within
18 one hundred twenty days of the effective date of this act;
19 and

20 (4) Establish a start date, once applications and the
21 approved form contract are made available, whereby any
22 person seeking a license as a video lottery game operator
23 that has applied for a license to be a video lottery game
24 terminal operator, has paid the initial license fee, and

25 satisfactorily completed an initial criminal background
26 check may begin soliciting contracts with prospective video
27 lottery game retailers for the placement of video lottery
28 terminals. Such date shall be set no more than sixty days
29 after applications are made available.

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

7 2. The sale of lottery tickets, shares, or lottery
8 game plays using a video lottery game terminal under
9 sections 313.425 to 313.437 shall not constitute a valid
10 reason to refuse to issue or renew or to revoke or suspend
11 any license or permit issued under the provisions of chapter
12 311.

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

3 2. All shipments of gaming devices used to conduct
4 video lottery games authorized under sections 313.425 to
5 313.437 to licensees, the registering, recording, and
6 labeling of which have been completed by the manufacturer or
7 distributor thereof in accordance with 15 U.S.C. Sections
8 1171 to 1178, shall be legal shipments of gambling devices
9 into this state.

313.435. A municipality may adopt an ordinance
2 prohibiting video lottery game terminals within the
3 corporate limits of such municipality within one hundred
4 eighty days from the effective date of this act. A county
5 commission may, for the unincorporated area of the county,
6 adopt an ordinance prohibiting video lottery game terminals

7 within the unincorporated area of the county within one
8 hundred eighty days from the effective date of this act.
9 Any municipality or county adopting an ordinance prohibiting
10 the use of video lottery game terminals or repealing such an
11 ordinance prohibiting video lottery game terminals shall
12 notify and transmit such ordinance to the commission within
13 ten days. The commission shall not license video lottery
14 game retailers within such area covered by such ordinance.
15 Any such municipality or county that has opted to prohibit
16 the use of video lottery game terminals to play video
17 lottery games may repeal such ordinance and upon such repeal
18 the commission may license video lottery game retailers
19 within such municipality or county to conduct video lottery
20 games.

313.437. If any provision of sections 313.425 to
2 313.437 or the application thereof to anyone or to any
3 circumstance is held invalid, the remainder of those
4 sections and the application of such provisions to others or
5 other circumstances shall not be affected thereby.

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. **"Adjusted gross receipts" shall not include**
7 **adjusted gross receipts from sports wagering as defined in**
8 **section 313.1000;**

9 (2) "Applicant", any person applying for a license
10 authorized under the provisions of sections 313.800 to
11 313.850;

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

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

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

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

40 (7) "Credit instrument", a written check, negotiable
41 instrument, automatic bank draft or other authorization from
42 a qualified person to an excursion gambling boat licensee or
43 any of its affiliated companies licensed by the commission

44 authorizing the licensee to withdraw the amount of credit
45 extended by the licensee to such person from the qualified
46 person's banking account in an amount determined under
47 section 313.817 on or after a date certain of not more than
48 thirty days from the date the credit was extended, and
49 includes any such writing taken in consolidation, redemption
50 or payment of a previous credit instrument, but does not
51 include any interest-bearing installment loan or other
52 extension of credit secured by collateral;

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

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

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

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

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

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

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

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

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

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

99 (18) "Licensee", any person licensed under sections
100 313.800 to 313.850;

101 (19) "Mississippi River" and "Missouri River", the
102 water, bed and banks of those rivers, including any space
103 filled by the water of those rivers for docking purposes in
104 a manner approved by the commission but shall not include
105 any artificial space created after May 20, 1994, and is
106 located more than one thousand feet from the closest edge of

107 the main channel of the river as established by the United
108 States Army Corps of Engineers;

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

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

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

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

131 All testimony shall be given under oath or affirmation. Any
132 citizen of this state shall have the opportunity to testify
133 on the merits of the petition. The commission may subpoena
134 witnesses to offer expert testimony. Upon conclusion of the
135 hearing, the commission shall evaluate the record of the
136 hearing and issue written findings of fact that shall be
137 based exclusively on the evidence and on matters officially

138 noticed. The commission shall then render a written
139 decision on the merits which shall contain findings of fact,
140 conclusions of law and a final commission order. The final
141 commission order shall be within thirty days of the
142 hearing. Copies of the final commission order shall be
143 served on the petitioner by certified or overnight express
144 mail, postage prepaid, or by personal delivery.

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

3 (1) "Adjusted gross receipts":

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

7 (b) The total of:

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

10 b. The actual costs paid by a sports wagering operator
11 for any personal property or services distributed to sports
12 wagering patrons as prizes;

13 c. Voided wagers; and

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

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

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

25 (2) "Certificate holder", a licensed applicant issued
26 a certificate of authority by the commission;

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

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

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

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

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

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

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

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

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

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

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

57 (14) "Person", an individual, sole proprietorship,
58 partnership, association, fiduciary, corporation, limited
59 liability company, or any other business entity;

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

65 (16) "Registered sports governing body", a sports
66 governing body that is headquartered in the United States
67 and who has registered with the commission under sections
68 313.1000 to 313.1024. The term shall not include the
69 National Collegiate Athletic Association;

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

73 (18) "Sports wagering", wagering conducted under
74 sections 313.1000 to 313.1024 on athletic and sporting
75 events involving human competitors or on other events as
76 approved by the commission. Sports wagering shall not
77 include money spent to participate in paid fantasy sports
78 under sections 313.900 to 313.955;

79 (19) "Sports wagering device", a mechanical,
80 electrical, or computerized contrivance, terminal, device,
81 apparatus, piece of equipment, or supply approved by the
82 commission for conducting sports wagering under sections
83 313.1000 to 313.1024. Sports wagering device shall not
84 include a device used by a sports wagering patron to access
85 an interactive sports wagering platform;

86 (20) "Sports wagering operator" or "operator", a
87 certificate holder or an interactive sports wagering

88 platform offering sports wagering on behalf of a certificate
89 holder;

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

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

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

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

3 2. All shipments of gambling devices used to conduct
4 sports wagering under sections 313.1000 to 313.1024 to
5 licensed applicants or certificate holders, the registering,
6 recording, and labeling of which have been completed by the
7 manufacturer or dealer thereof in accordance with 15 U.S.C.
8 Sections 1171 to 1178, shall be legal shipments of gambling
9 devices into this state.

313.1003. 1. Sports wagering shall not be offered in
2 this state 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
6 wagering platform to persons physically located in this
7 state.

313.1004. 1. The commission shall adopt rules to
2 implement the provisions of sections 313.1000 to 313.1024.
3 Any rule or portion of a rule, as that term is defined in
4 section 536.010, that is created under the authority
5 delegated in this section shall become effective only if it
6 complies with and is subject to all of the provisions of

7 chapter 536 and, if applicable, section 536.028. This
8 section and chapter 536 are nonseverable and if any of the
9 powers vested with the general assembly pursuant to chapter
10 536 to review, to delay the effective date, or to disapprove
11 and annul a rule are subsequently held unconstitutional,
12 then the grant of rulemaking authority and any rule proposed
13 or adopted after August 28, 2021, shall be invalid and void.

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

16 (1) Standards and procedures to govern the conduct of
17 sports wagering, including the manner in which:

18 (a) Wagers are received;

19 (b) Payouts are paid; and

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

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

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

31 (4) Standards concerning the detection and prevention
32 of compulsive gambling.

33 3. Rules adopted under this section shall require a
34 certificate holder to make commercially reasonable efforts
35 to do the following:

36 (1) Designate an area within the licensed facility
37 operated by the certificate holder for sports wagering
38 conducted under sections 313.1000 to 313.1024;

39 (2) Ensure the security and integrity of sports wagers
40 accepted through an interactive sports wagering platform;

41 (3) Ensure that the certificate holder's surveillance
42 system covers all areas of the licensed facility in which
43 sports wagering is conducted;

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

49 (a) Ensure maximum security of the counting and
50 storage of the sports wagering revenue received by the
51 certificate holder;

52 (b) Certify the sports wagering revenue received by
53 the certificate holder;

54 (c) Receive complaints from the public;

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

57 (6) Provide written information to sports wagering
58 patrons about sports wagering, payouts, winning wagers, and
59 other information considered relevant by the commission;

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

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

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

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

10 2. Upon receipt of the application and fee required
11 under subsection 1 of this section, the commission shall
12 issue a certificate of authority to a licensed applicant
13 authorizing the licensed applicant to conduct sports
14 wagering under sections 313.1000 to 313.1024 in a licensed
15 facility or through an interactive sports wagering platform.

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

7 2. (1) A certificate holder shall designate an area
8 or areas within the certificate holder's licensed facility
9 for conducting sports wagering.

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

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

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

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

23 5. A sports wagering device shall be approved by the
24 commission and acquired by a certificate holder from a
25 licensed supplier.

26 6. The commission shall determine the occupations
27 related to sports wagering that require an occupational
28 license.

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

40 8. Subject to the approval of the commission, a
41 certificate holder may contract with a third party to
42 conduct sports wagering at the certificate holder's licensed
43 facility.

 313.1010. 1. An interactive sports wagering platform
2 provider may offer sports wagering on behalf of a
3 certificate holder only if the interactive sports wagering
4 platform holds an interactive sports wagering platform
5 license issued by the commission.

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

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

11 (2) Pay an initial application fee of twenty-five
12 thousand dollars.

13 3. Each year on or before the anniversary date of the
14 payment of the initial application fee under subsection 2 of
15 this section, an interactive sports wagering platform
16 provider holding a license issued under this section shall
17 pay to the commission an annual license renewal fee of fifty
18 thousand dollars. Such license renewal fees and the initial
19 application fee provided for under subdivision (2) of
20 subsection 2 of this section shall be deposited in the
21 gaming commission fund and distributed according to section
22 313.835.

23 4. Notwithstanding any other provision of law to the
24 contrary, the following information shall be confidential
25 and shall not be disclosed to the public unless required by
26 court order or by any other provision of sections 313.1000
27 to 313.1024:

28 (1) An interactive sports wagering platform license
29 application; and

30 (2) All documents, reports, and data submitted by an
31 interactive sports wagering platform provider to the
32 commission containing proprietary information, trade
33 secrets, financial information, or personally identifiable
34 information about any person.

313.1012. 1. A certificate holder shall verify that a
2 person placing a wager is of the legal minimum age for
3 placing a wager under sections 313.1000 to 313.1024.

4 2. The commission shall adopt rules and regulations
5 for a sports wagering self-exclusion program consistent with
6 those adopted under sections 313.800 to 313.850. Any rule
7 or portion of a rule, as that term is defined in section
8 536.010, that is created under the authority delegated in

9 this section shall become effective only if it complies with
10 and is subject to all of the provisions of chapter 536 and,
11 if applicable, section 536.028. This section and chapter
12 536 are nonseverable and if any of the powers vested with
13 the general assembly pursuant to chapter 536 to review, to
14 delay the effective date, or to disapprove and annul a rule
15 are subsequently held unconstitutional, then the grant of
16 rulemaking authority and any rule proposed or adopted after
17 August 28, 2021, shall be invalid and void.

18 3. The commission shall adopt rules to ensure that
19 advertisements for sports wagering:

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

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

25 (3) Provide information about or links to resources
26 relating to gambling addiction; and

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

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

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

10 (a) Prohibit the certificate holder, directors,
11 officers, and employees of the certificate holder, and any
12 relative living in the same household of a person described

13 in this paragraph from placing sports wagers with the
14 certificate holder;

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

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

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

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

28 3. (1) A sports governing body may notify the
29 commission that it desires to restrict, limit, or exclude
30 sports wagers on its sporting events by providing notice in
31 the form and manner as the commission may require,
32 including, without limitation, restrictions on the sources
33 of data and associated video upon which an operator may rely
34 in offering and paying wagers and the bet types that may be
35 offered. Upon receiving such notice, the commission shall
36 only deny a request if it deems such request arbitrary and
37 capricious. If the commission denies a request, the sports
38 governing body shall be afforded notice and the right to be
39 heard and offer proof in opposition to such determination in
40 accordance with the regulations of the commission. Offering
41 or taking wagers contrary to restrictions promulgated by the
42 commission is a violation of this section. Except in
43 relation to an emergency situation as provided in
44 subdivision (2) of this subsection, the provisions of this

45 subsection shall not apply to tier one sports wagers on non-
46 exhibition games or events of professional sports
47 organizations or the National Collegiate Athletics
48 Association. For the purposes of this subsection,
49 "professional sports organization" shall include, but shall
50 not be limited to, the National Football League, Major
51 League Baseball, the National Basketball Association, the
52 National Hockey League, Major League Soccer, and the
53 Professional Golfers Association. Such term shall not
54 include minor league baseball or any other developmental
55 league, whether or not such league is affiliated with a
56 professional sports organization.

57 (2) In the event that a request is submitted in
58 relation to an emergency situation, the executive director
59 of the commission may temporarily grant the request of the
60 sports governing body until the commission makes a final
61 determination as to whether such request is arbitrary and
62 capricious.

63 4. The commission and certificate holders shall
64 cooperate with investigations conducted by law enforcement
65 agencies, including by providing or facilitating the
66 provision of betting information and audio or video files
67 relating to persons placing sports wagers.

68 5. A certificate holder shall immediately report to
69 the commission any information relating to:

70 (1) Criminal or disciplinary proceedings commenced
71 against the certificate holder in connection with its
72 operations;

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

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

77 (4) Any other conduct that corrupts the wagering
78 outcome of a sporting event or events for purposes of
79 financial gain; and

80 (5) Suspicious or illegal wagering activities.

81 6. A certificate holder shall maintain the
82 confidentiality of information provided by a sports
83 governing body to the certificate holder unless disclosure
84 is required by court order, the commission, or any other
85 provision of law.

86 7. (1) Except as provided in subsection 8 of this
87 section, certificate holders may use any data source to
88 determine the results of sports wagers, provided the data is
89 not obtained directly or indirectly from live event
90 attendees who collect the data in violation of the terms of
91 admittance to an event or through automated computer
92 programs that compile data from the internet in violation of
93 the terms of service of the relevant website or other
94 internet platform.

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

99 8. A sports governing body may notify the commission
100 that it desires to supply official league data to
101 certificate holders for determining the results of tier two
102 sports wagers. Such notification shall be made in the form
103 and manner as the commission may require. Within thirty
104 days of such notification by a sports governing body,
105 certificate holders shall use only official league data to
106 determine the results of tier two wagers, unless the
107 certificate holder can demonstrate to the commission that
108 the sports governing body or its designee cannot provide a

109 feed of official league data to the certificate holder on
110 commercially reasonable terms.

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

- 6 (1) Personally identifiable information of the bettor;
- 7 (2) The amount and type of bet placed;
- 8 (3) The time and date the bet was placed;
- 9 (4) The location, including specific information
10 pertaining to the betting window where the bet was placed;
- 11 (5) The outcome of the bet; and
- 12 (6) Any discernable pattern of abnormal betting
13 activity by the patron.

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

- 18 (1) Personally identifiable information of the bettor;
- 19 (2) The amount and type of bet placed;
- 20 (3) The time and date the bet was placed;
- 21 (4) The location, including specific information
22 pertaining to the internet protocol address, where the bet
23 was placed;
- 24 (5) The outcome of the bet; and
- 25 (6) Any discernable pattern of abnormal betting
26 activity by the patron.

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

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

 313.1018. 1. The performance of any act required, or
2 the forbearance of any act prohibited, by sections 313.1000
3 to 313.1024, by an interactive sports wagering platform
4 provider is imputed to the certificate holder on behalf of
5 which the platform is operating, and vice versa.

6 2. A certificate holder is not liable under the laws
7 of this state to any party, including patrons, for
8 disclosing information as required under sections 313.1000
9 to 313.1024, and is not liable for refusing to disclose
10 information unless required under sections 313.1000 to
11 313.1024.

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

23 any financial penalties in excess of those provided under
24 this subsection.

25 4. (1) Any person, firm, corporation, association,
26 agent, or employee shall be guilty of a class E felony for:

27 (a) Placing, or causing to be placed, a bet or wager
28 on the basis of material nonpublic information relating to
29 that bet or wager; or

30 (b) Knowingly engaging in, facilitating, or concealing
31 conduct that intends to improperly influence a betting
32 outcome of a sporting event for purposes of financial gain,
33 in connection with betting or wagering on a sporting event.

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

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

9 2. Within thirty days of the end of each calendar
10 quarter, a certificate holder shall remit to the commission
11 a royalty fee of one-quarter of one percent of the amount
12 wagered on sporting events conducted by registered sports
13 governing bodies during the previous calendar quarter.

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

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

28 5. The commission shall annually publish a report
29 stating the amount received from certificate holders in
30 royalty fees and the amount paid to registered sports
31 governing bodies.

32 6. Any unclaimed royalty fees shall be distributed to
33 the certificate holders that timely remitted the royalties
34 required under this section to the commission. Such
35 royalties shall be distributed to the eligible certificate
36 holders on a pro rata basis.

37 7. The commission shall cooperate with a registered
38 sports governing body and certificate holders to ensure the
39 timely, efficient, and accurate sharing of information and
40 the remittance of the royalty fee to the registered sports
41 governing body or its designee.

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

5 (1) Sporting events involving at least one National
6 Collegiate Athletic Association Football Bowl Subdivision
7 football team; and

8 (2) Sporting events involving at least one National
9 Collegiate Athletic Association Division I basketball team.

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

13 (1) The royalty fees collected under subdivision (1)
14 of subsection 1 of this section shall be distributed evenly
15 among the public universities in this state that sponsor
16 National Collegiate Athletic Association Football Bowl
17 Subdivision football teams; and

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

23 3. The royalty fees received by public universities
24 under this section shall be used solely for athletics
25 compliance.

313.1021. 1. A wagering tax of nine percent is
2 imposed on the adjusted gross receipts received from sports
3 wagering conducted by a certificate holder under sections
4 313.1000 to 313.1024. If a third party is contracted to
5 conduct sports wagering at a certificate holder's licensed
6 facility, the third party contractor shall fulfill the
7 certificate holder's duties under this section.

8 2. A certificate holder shall remit the tax imposed by
9 subsection 1 of this section to the department before the
10 close of the business day one day prior to the last business
11 day of each month for the wagering taxes collected for such

12 month. Any taxes collected during the month, but after the
13 day on which the taxes are required to be paid to the
14 department, shall be paid to the department at the same time
15 the following month's taxes are due.

16 3. The payment of the tax under this section shall be
17 by an electronic funds transfer by an automated
18 clearinghouse.

19 4. Revenues received from the tax imposed under
20 subsection 1 of this section shall be deposited in the state
21 treasury to the credit of the "Gaming Proceeds for Education
22 Fund" and shall be distributed as provided under section
23 313.822.

24 5. (1) A certificate holder shall pay to the
25 commission an annual administrative fee of fifty thousand
26 dollars. The fee imposed shall be due one year after the
27 date on which the certificate holder commences sports
28 wagering operations under sections 313.1000 to 313.1024, and
29 on each annual anniversary date thereafter. The commission
30 shall deposit the administrative fees received under this
31 subsection in the gaming commission fund and shall
32 distribute such fees according to section 313.835.

33 (2) In addition to the annual administrative fee
34 required under this subsection, a certificate holder shall
35 pay to the commission a fee of ten thousand dollars to cover
36 the costs of a full reinvestigation of the certificate
37 holder in the fifth year after the date on which the
38 certificate holder commences sports wagering operations
39 under sections 313.1000 to 313.1024 and on each fifth year
40 thereafter. The commission shall deposit the fees received
41 under this subdivision in the gaming commission fund and
42 shall distribute such fees according to section 313.835.

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

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

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

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

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

18 (5) The commission shall promulgate rules to implement
19 the provisions of this subsection. Any rule or portion of a
20 rule, as that term is defined in section 536.010, that is
21 created under the authority delegated in this section shall

22 become effective only if it complies with and is subject to
23 all of the provisions of chapter 536 and, if applicable,
24 section 536.028. This section and chapter 536 are
25 nonseverable and if any of the powers vested with the
26 general assembly pursuant to chapter 536 to review, to delay
27 the effective date, or to disapprove and annul a rule are
28 subsequently held unconstitutional, then the grant of
29 rulemaking authority and any rule proposed or adopted after
30 August 28, 2021, shall be invalid and void.

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

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

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

48 (1) The employee demonstrates by a preponderance of
49 the evidence that the actions of the employee to provide
50 information or assist in an investigation were a
51 contributing factor to the discharge or other
52 discrimination; and

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

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

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

60 (2) The date on which the employee became aware of the
61 violation.

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