

SENATE BILL NO. 642

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOSKINS.

3531S.02I

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal sections 313.230 and 313.255, RSMo, and to enact in lieu thereof ten new sections relating to video lottery, with penalty provisions.

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

Section A. Sections 313.230 and 313.255, RSMo, are
2 repealed and ten new sections enacted in lieu thereof, to be
3 known as sections 313.230, 313.255, 313.425, 313.427, 313.429,
4 313.431, 313.433, 313.434, 313.435, and 313.437, to read as
5 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, to print**
13 **lottery tickets, and** to dispense lottery tickets;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

51 [(1)] (2) Such other matters necessary or desirable
52 for the efficient and economical operation and
53 administration of the lottery and for the convenience of the
54 purchasers of tickets or shares and the holders of winning
55 tickets or shares. The commission may disburse money for
56 payment of lottery prizes;

57 [(2)] (3) Amend, repeal, or supplement any such rules
58 and regulations from time to time as it deems necessary or
59 desirable;

60 [(3)] (4) Advise and make recommendations to the
61 director regarding the operation and administration of the
62 lottery;

63 [(4)] (5) Report quarterly to the governor and the
64 general assembly the total lottery revenues, prize
65 disbursements and other expenses for the preceding quarter,
66 and to make an annual report, which shall include a full and
67 complete statement of lottery revenues, prize disbursements
68 and other expenses, to the governor and the general
69 assembly, and including such recommendations for changes in
70 sections 313.200 to 313.350 as it deems necessary or
71 desirable;

72 [(5)] (6) Report to the governor and general assembly
73 any matters which shall require immediate changes in the
74 laws of this state in order to prevent abuses and evasions
75 of sections 313.200 to 313.350 or rules and regulations
76 promulgated thereunder or to rectify undesirable conditions
77 in connection with the administration or operation of the
78 lottery;

79 [(6)] (7) Carry on a continuous study and
80 investigation of the lottery throughout the state and to

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

90 ~~[(7)]~~ (8) Ensure that all employees of the state
91 lottery commission hired after July 12, 1990, shall not be
92 related to any member of the state lottery commission or any
93 employee of the state lottery commission within the third
94 degree of consanguinity or affinity.

313.255. 1. The director shall issue, suspend,
2 revoke, and renew licenses for lottery game retailers
3 pursuant to rules and regulations adopted by the
4 commission. Such rules shall specify that at least ten
5 percent of all licenses awarded to lottery game retailers in
6 constitutional charter cities not within a county and
7 constitutional charter cities with a population of at least
8 four hundred fifty thousand not located wholly within a
9 county of the first class with a charter form of government
10 shall be awarded to minority-owned and -controlled business
11 enterprises. Licensing rules and regulations shall include
12 requirements relating to the financial responsibility of the
13 licensee, the accessibility of the licensee's place of
14 business or activity to the public, the sufficiency of
15 existing licenses to serve the public interest, the volume
16 of expected sales, the security and efficient operation of
17 the lottery, and other matters necessary to protect the
18 public interest and trust in the lottery and to further the

19 sales of lottery tickets or shares. Lottery game retailers
20 shall be selected without regard to political affiliation.

21 2. (1) The commission may sell lottery tickets at its
22 office and at special events.

23 (2) **The commission may authorize the placement of pull-**
24 **tab machines, in substantially the same form as such pull-**
25 **tab machines are authorized as of August 28, 2022, in any**
26 **video lottery game retailer, as such term is defined in**
27 **section 313.427. Beginning January 1, 2024, the commission**
28 **may authorize the use of pull-tab machines that utilize**
29 **electronically generated ticket facsimiles where game plays**
30 **are pre-determined from a finite pool of ticket results.**

31 3. The commission shall require every retailer to post
32 a bond, a bonding fee or a letter of credit in such amount
33 as may be required by the commission, and upon licensure
34 shall prominently display his license, or a copy thereof, as
35 provided in the rules and regulations of the commission.

36 4. All licenses for lottery game retailers shall
37 specify the place such sales shall take place.

38 5. A lottery game retailer license shall not be
39 assignable or transferable.

40 6. A license shall be revoked upon a finding that the
41 licensee:

42 (1) Has knowingly provided false or misleading
43 information to the commission or its employees;

44 (2) Has been convicted of any felony; or

45 (3) Has endangered the security of the lottery.

46 7. A license may be suspended, revoked, or not renewed
47 for any of the following causes:

48 (1) A change of business location;

49 (2) An insufficient sales volume;

50 (3) A delinquency in remitting money owed to the
51 lottery; or

52 (4) Any violation of any rule or regulation adopted
53 pursuant to this section by the commission.

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) "Bar", a business registered to do business in the
4 state of Missouri that maintains a license issued pursuant
5 to chapter 311 to sell liquor at retail for onsite
6 consumption;

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

14 (3) "Commission" or "lottery commission", the five-
15 member body appointed by the governor to manage and oversee
16 the lottery under section 313.215;

17 (4) "Director", the director of the commission;

18 (5) "Fraternal organization", any organization within
19 this state operating under the lodge system which exists for
20 the common benefit, brotherhood, or other interest of its
21 members, except college fraternities and sororities, of
22 which no part of the net earnings inures to the benefit of
23 any private shareholder or any individual member of such

24 organization, which has been exempted from the payment of
25 federal income tax, and which derives its charter from a
26 national fraternal organization which regularly meets;

27 (6) "Sales agent", any person who, directly or
28 indirectly, solicits, procures, or negotiates a contract
29 between or on behalf of a video lottery game retailer or a
30 video lottery game operator for the placement and operation
31 of a video lottery game terminal;

32 (7) "Truck stop", a location that provides parking and
33 is equipped for fueling commercial vehicles, that has sold
34 on average ten thousand gallons of diesel or biodiesel fuel
35 each month for the previous twelve months or is projected to
36 sell an average of ten thousand gallons of diesel or
37 biodiesel fuel each month for the next twelve months, that
38 is situated on two acres or more of land that operates a
39 convenience store and that obtains and maintains a lottery
40 game retailer license issued by the commission to offer
41 lottery games played on video lottery game terminals;

42 (8) "Veterans' organization", a post or organization
43 of veterans, or an auxiliary unit or society of, or a trust
44 or foundation for, any such post or organization organized
45 in the United States or any of its possessions in which at
46 least seventy-five percent of the members are veterans of
47 the United States Armed Forces and substantially all of the
48 other members are individuals who are veterans or are
49 cadets, or are spouses, widows or widowers of war veterans
50 of such individuals, in which no part of the net earnings
51 inures to the benefit of any private shareholder or
52 individual, and which has been exempted from payment of
53 federal income taxes;

54 (9) "Video lottery game", any lottery game approved by
55 the commission for play on an approved video lottery game
56 terminal;

57 (10) "Video lottery game adjusted gross receipts", the
58 total of cash or cash equivalents used for the play of a
59 video lottery game on a video lottery game terminal minus
60 cash or cash equivalent paid to players as a result of
61 playing video lottery games on a video lottery game terminal;

62 (11) "Video lottery game handler", a person employed
63 by a licensed video lottery game operator and who is
64 licensed by the commission to handle, place, operate, and
65 service video lottery game terminals and associated
66 equipment;

67 (12) "Video lottery game manufacturer" or
68 "distributor", any person licensed by the commission that
69 manufactures video lottery game terminals or major parts and
70 components for video lottery game terminals as approved by
71 the lottery commission for sale to licensed video lottery
72 game operators, or a person licensed by the commission to
73 distribute or service video lottery game terminals or major
74 parts and components of video lottery game terminals
75 including buying, selling, leasing, renting, or financing
76 new, used, or refurbished video lottery game terminals to
77 and from licensed video lottery game manufacturers and
78 licensed video lottery game operators;

79 (13) "Video lottery game operator", a person licensed
80 by the commission that owns, rents, or leases and services
81 or maintains video lottery game terminals for placement in
82 licensed video lottery retailer establishments;

83 (14) "Video lottery game retailer", a retail
84 establishment possessing a lottery game retailer license
85 under section 313.255, that also secures and maintains a

86 license to conduct video lottery games played on a video
87 lottery game terminal or terminals and that is a fraternal
88 organization, veterans organization, bar, or truck stop;

89 (15) "Video lottery game terminal", a player-activated
90 terminal that exchanges coins, currency, tickets, ticket
91 vouchers, or electronic payment methods approved by the
92 commission for credit on such terminal used to play video
93 lottery games approved by the commission. Such video
94 lottery game terminals shall use a video display and may use
95 a microprocessor capable of randomly generating the outcome
96 of such video lottery games and be capable of printing and
97 issuing a ticket at the conclusion of any video lottery game
98 play that may be redeemed at a video lottery game ticket
99 redemption terminal or may be reinserted into a video
100 lottery game terminal at the retail establishment where it
101 was printed for video lottery game credit and game plays.
102 All video lottery games approved by the commission for play
103 on a video lottery game terminal shall have a minimum
104 theoretical payout of eighty-five percent. The term "video
105 lottery game terminal" shall not include any pull-tab
106 machine approved by the commission;

107 (16) "Video lottery game terminal credit", one cent,
108 five cents, ten cents, or twenty-five cents either won or
109 purchased by a player on a video lottery game terminal that
110 may be used to play video lottery games and that may be
111 converted into a video lottery game ticket;

112 (17) "Video lottery game ticket" or "ticket", a
113 document printed or electronically created at the conclusion
114 of any video lottery game play or group of plays on a video
115 lottery game terminal that is redeemable for cash utilizing
116 a video lottery game ticket redemption terminal or that may
117 be reinserted into a video lottery game terminal in the

118 establishment from which such ticket is issued for video
119 lottery game terminal credit;

120 (18) "Video lottery game ticket redemption terminal",
121 the collective hardware, software, communications
122 technology, and other ancillary equipment used to facilitate
123 the payment of tickets cashed out by players as a result of
124 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 a video lottery game retailer;
16 and

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

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

24 2. Under no circumstances shall the commission:

25 (1) Allow the placement of more than fifteen thousand
26 video lottery game terminals in the state;

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

30 (3) Allow a single licensed video lottery game
31 operator to control or operate more than twenty-five percent
32 of video lottery game terminals in the state after December
33 31, 2030.

34 3. (1) The video lottery game system authorized by
35 this section shall allow for multiple video lottery game
36 manufacturers, video lottery game distributors, and video
37 lottery game operators to encourage private sector
38 investment and job opportunities for Missouri citizens.
39 Video lottery game terminals and video lottery game ticket
40 redemption terminals shall be connected to a centralized
41 computer system developed or procured by the commission.
42 The commission shall provide licensed video lottery game
43 operators with the necessary protocols to connect the
44 operators' video lottery game terminal or terminals to the
45 centralized computer system after such terminal or terminals
46 have been approved by the commission. No video lottery game
47 terminal or video lottery game ticket redemption terminal
48 shall be in operation unless connected to the centralized
49 computer system after such terminal or terminals have been
50 approved by the commission. A vendor that provides the
51 centralized computer system authorized under this subsection
52 shall not be eligible to be licensed as a video lottery game
53 operator or video lottery game retailer. The commission may
54 impose an initial nonrefundable license application fee to
55 cover the cost of investigating the background of the
56 licensee, including a criminal background check, as follows:

57 (a) For video lottery game manufacturers, video
58 lottery game distributors, and video lottery game operators,
59 no more than twenty-five thousand dollars;

60 (b) For sales agents, no more than one thousand
61 dollars;

62 (c) For video lottery game retailer establishments, no
63 more than five hundred dollars; or

64 (d) For video lottery game handlers, no more than one
65 hundred dollars.

66 (2) The initial license shall be for a period of two
67 years. Thereafter, license renewal periods shall be four
68 years with the applicable renewal fee paid for each year of
69 such license renewal in advance. License renewal fees for
70 anyone licensed pursuant to this subsection, and subsequent
71 to the initial two-year period shall be as follows:

72 (a) Five thousand dollars for video lottery game
73 manufacturers, video lottery game distributors, and video
74 lottery game operators;

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

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

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

86 (4) Nothing in this subsection shall be construed to
87 relieve the licensee of the affirmative duty to notify the
88 commission of any change relating to the status of the

89 license or to any other information contained in the
90 application materials on file with the commission.

91 4. No license shall be issued to any person, and no
92 person shall be allowed to serve as a sales agent, who has
93 been convicted of a felony or a crime involving illegal
94 gambling. Sales agents shall register with the commission,
95 and shall not, directly or indirectly, solicit, procure, or
96 negotiate any contract between or on behalf of a video
97 lottery game retailer or a video lottery game operator for
98 the placement and operation of a video lottery game terminal
99 before registering with the commission. Any sales agent who
100 violates the provisions of this subsection shall have such
101 sales agent's registration revoked.

102 5. No license requirement, sticker fee, or tax shall
103 be imposed by any local jurisdiction upon a video lottery
104 game manufacturer, video lottery game distributor, video
105 lottery game operator, video lottery game retailer, video
106 lottery game handler, or video lottery game terminal or an
107 establishment relating to the operation of video lottery
108 games, video lottery game terminals, or associated equipment.

109 6. (1) Video lottery game terminals shall meet
110 independent testing standards approved by the commission.
111 Video lottery game terminal testing shall be performed under
112 the supervision of the Missouri gaming commission authorized
113 pursuant to section 313.004 or by one or more licensed
114 independent test labs approved by the Missouri gaming
115 commission. Video lottery game terminals shall be capable
116 of printing a ticket redeemable for winning video lottery
117 game plays. Such video lottery game terminals shall be
118 inspected and approved prior to being sold, leased, or
119 transferred.

120 (2) Licensed video lottery game manufacturers may buy,
121 sell, or lease new or refurbished video lottery game
122 terminals to and from licensed video lottery game
123 distributors.

124 (3) Licensed video lottery game distributors may buy,
125 sell, or lease new or refurbished video lottery game
126 terminals to or from licensed video lottery game
127 manufacturers or licensed video lottery game operators.

128 7. (1) Licensed video lottery game operators:

129 (a) May buy, lease, or rent video lottery game
130 terminals from licensed video lottery game manufacturers,
131 operators, or distributors;

132 (b) May handle, place, and service video lottery game
133 terminals;

134 (c) Shall connect such video lottery game terminals
135 and video lottery game ticket redemption terminals to the
136 centralized computer system approved by the commission; and

137 (d) Shall, notwithstanding the provisions of section
138 313.321 to the contrary, pay all video lottery game winnings
139 using a video lottery game ticket redemption terminal. Such
140 video lottery ticket redemption terminal shall be located
141 within the video lottery game retailer's establishment in
142 direct proximity of where such video lottery games are
143 offered. Video lottery game operators shall pay the
144 commission thirty-two percent of any unclaimed cash prize
145 associated with a winning ticket that has not been redeemed
146 within one hundred eighty days of issue.

147 Rents or leases for video lottery game terminals shall be
148 written at a flat rate and shall not include revenue
149 splitting as a method used in the calculation of the lease
150 or rent.

151 (2) Licensed video lottery game operators and licensed
152 video lottery game retailers shall enter into a written
153 agreement for the placement of video lottery game
154 terminals. The agreement shall be on a form approved by the
155 commission and shall specify an equal division of adjusted
156 gross receipts, or, upon approval of the commission, a
157 negotiated division of adjusted gross receipts between the
158 video lottery game operator and the video lottery game
159 retailer after adjustments for taxes and administrative fees
160 are made. A video lottery game operator shall be
161 responsible for remitting to the commission and the video
162 lottery game retailer its share of adjusted gross receipts.
163 Nothing in this subdivision shall prohibit a licensed video
164 lottery game operator from entering into an agreement with a
165 sales agent for retailer agreements provided such agreement
166 is in writing and approved by the commission prior to
167 beginning sales activities and prior to the start date
168 established pursuant to section 313.431. Video lottery game
169 operators and their sales agents and affiliates and video
170 lottery game retailers are specifically prohibited from
171 offering anything of value, other than the percentage of
172 adjusted gross receipts provided under this subsection,
173 except that a video lottery game operator may provide up to
174 seven thousand five hundred dollars to a video lottery game
175 retailer, with an equal amount provided by the video lottery
176 game retailer, for structural changes needed at the video
177 lottery game retailer's establishment to comply with the
178 provisions of subsection 9 of this section. A retailer
179 shall not enter into an agreement with a video lottery game
180 operator prior to the start date established by the director
181 pursuant to subdivision (4) of section 313.431 for the
182 initial or continued placement of video lottery game

183 terminals. Contract agreements entered into prior to the
184 start date established pursuant to section 313.431 between a
185 prospective video lottery game terminal operator or sales
186 agent with a prospective video lottery game retailer shall
187 be invalid.

188 (3) To combat problem gambling, video lottery game
189 operators shall allow players to be self-excluded from video
190 lottery game play. Operators shall provide the commission
191 with a list of players that have elected to be excluded from
192 video lottery game play within thirty days of such election
193 and shall update such list periodically as required by the
194 commission. Such self-excluded list shall be considered
195 confidential information and shall not be released to the
196 public. The commission shall issue such self-exclusion
197 procedures by rule.

198 (4) Nothing in this section shall be construed to
199 prevent a video lottery game operator or a video lottery
200 retailer from using a player rewards system or electronic
201 cashless payment system as approved by the commission. No
202 player shall be required to enroll in a rewards program
203 offered by a video lottery game operator or video lottery
204 game retailer as a condition to play video lottery games.

205 8. No licensed video lottery game operator shall:

206 (1) Offer video lottery gaming terminals that directly
207 dispense anything of value except for tickets for winning
208 plays. Tickets shall be dispensed by pressing the ticket
209 dispensing button on the video lottery gaming terminal at
210 the end of any video lottery game play. The ticket shall
211 indicate the total amount of video lottery game terminal
212 credits and the cash award, the time of day in a twenty-four-
213 hour format showing hours and minutes, the date, the
214 terminal serial number, the sequential number of the ticket,

215 and an encrypted validation number from which the validity
216 of the prize may be determined. The cost of the video
217 lottery game terminal credits shall be one cent, five cents,
218 ten cents, or twenty-five cents, and the maximum wager
219 played per video lottery game shall not exceed five dollars,
220 with the payoff for a winning maximum wager for a single
221 game play being no more than one thousand dollars. Any
222 state or federal tax reporting and withholding requirements
223 shall be satisfied by the video lottery game operator;

224 (2) Operate more than five video lottery game
225 terminals per location on the premises of a fraternal
226 organization, veterans organization, bar, or truck stop that
227 has secured and maintains a video lottery game retailer's
228 license. The operating location for any video lottery game
229 terminal shall be approved by the commission prior to such
230 video lottery game terminals being placed. The commission
231 may, at its sole discretion, deny such location pursuant to
232 the provisions of sections 313.425 to 313.437 and to the
233 rules and regulations governing the placement of such
234 terminals;

235 (3) Advertise video lottery games outside of a
236 licensed video lottery game retailer's establishment through
237 any media outlets or direct mail or telephone
238 solicitations. The advertising prohibition contained in
239 this subdivision shall apply to all licensees including, but
240 not limited to, video lottery game manufacturers, video
241 lottery game distributors, video lottery game operators,
242 video lottery game retailers, and video lottery game
243 handlers. Any allowable advertising conducted at the video
244 lottery game retailer's establishment shall be at the sole
245 expense of the video lottery game retailer, and shall be
246 approved by the commission;

247 (4) Allow video lottery games to be played at any time
248 when the video lottery game retailer's establishment is
249 closed for business.

250 9. (1) A person under twenty-one years of age shall
251 not play video lottery games, and such video lottery game
252 terminals shall be under the supervision of a person that is
253 at least twenty-one years of age to prevent persons under
254 twenty-one years of age from playing video lottery games.
255 Video lottery game terminals shall be placed in a fully
256 enclosed room that is continually monitored by video
257 surveillance and where access to persons under twenty-one
258 years of age is denied by a procedure approved by the
259 commission. A warning sign shall be posted in a conspicuous
260 location where such video lottery game terminals are
261 located, containing in red lettering at least one-half inch
262 high on a white background the following:

263 "YOU MUST BE AT LEAST 21 YEARS OF AGE TO PLAY
264 VIDEO LOTTERY GAMES"

265 In addition to the placement and supervision requirements of
266 this subsection, a video lottery game operator shall provide
267 video surveillance in the immediate area of the video
268 lottery game retailer's establishment where video lottery
269 game terminals are located. Recorded video from such
270 surveillance system shall be made available to the
271 commission upon request and shall be reviewed by video
272 lottery game operators as required by the commission for any
273 violation of law, rules, or regulations governing the
274 conduct of video lottery games. A video lottery game
275 operator that fails to report any known violation of law,
276 rules, or regulations governing the conduct of video lottery
277 games in conformance with established commission procedures

278 may be subject to an administrative fine not to exceed five
279 thousand dollars. Any video lottery game retailer that
280 fails to report any known violation of law, rules, or
281 regulations governing the conduct of video lottery games in
282 conformance with established commission procedures may be
283 subject to an administrative fine not to exceed five
284 thousand dollars. Video lottery game retailers shall
285 provide an intrusion detection system capable of detecting
286 unauthorized entrance of the video lottery game retailer's
287 establishment during nonbusiness hours and shall report to
288 the commission any unauthorized entrance of the video
289 lottery game retailer's establishment. Such surveillance
290 and intrusion detection system shall meet specifications as
291 defined by the commission.

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

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

310 establishment is located to reimburse such municipality or
311 county for administrative expenses, and any administrative
312 expenses for the commission that are not covered by
313 reimbursements from operators are deducted. Net proceeds
314 transferred to the lottery proceeds fund shall be
315 appropriated to public elementary and secondary education
316 and public institutions of higher education.

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. (1) The commission shall conduct background
356 investigations into applicants for any video lottery game
357 license. The director may contract with a state law
358 enforcement entity or the Missouri gaming commission to
359 assist in such background investigations or any
360 investigation of a violation of sections 313.425 to 313.437.

361 (2) Any violation of sections 313.425 to 313.437 shall
362 be reported by a licensee, Missouri lottery commission
363 staff, the Missouri gaming commission, or state agency or
364 local law enforcement to the director for appropriate
365 disciplinary action, and shall refer any potential criminal
366 violation, with any evidence thereof, to the appropriate law
367 enforcement agency. Any appeal of disciplinary action taken
368 shall be pursuant to rules and regulations adopted by the
369 commission and shall be consolidated with any appeal of
370 disciplinary action taken against any other license issued
371 by the commission to the same licensee. Upon a finding that
372 a video lottery game licensee committed a violation of
373 sections 313.425 to 313.437, the director may impose an

374 administrative fine not to exceed five thousand dollars,
375 suspend the applicable license for up to thirty days, and,
376 in the case of a repeated knowing violation, revoke such
377 license for a period of one year.

378 (3) Any such administrative fine, suspension, or
379 revocation upheld by the commission may be appealed by the
380 video lottery game licensee in a state court of competent
381 jurisdiction.

382 13. In addition to any other penalties provided by
383 law, the possession or use of any video gaming terminal,
384 machine, or device capable of simulating lottery games,
385 games of chance, or gambling games, whether or not there is
386 an element of skill involved, that uses a video display and
387 microprocessor capable of randomly generating the outcome of
388 such games in the possession of any video lottery game
389 licensee that is not authorized by the commission, shall be
390 a violation of sections 313.425 to 313.437. Any lottery
391 vendor or licensee that violates the provisions of this
392 subsection shall be deemed guilty of a class D felony and
393 fined up to ten thousand dollars per occurrence, and such
394 fines shall be deposited in the compulsive gamblers fund
395 created under section 313.842. The commission shall suspend
396 or revoke the license of any lottery vendor or licensee that
397 allows the use of any video terminal, gambling machine, or
398 device other than a video lottery game terminal authorized
399 pursuant to sections 313.425 to 313.437.

400 14. The commission shall adopt rules for the
401 implementation of the video lottery game system authorized
402 under sections 313.425 to 313.437, including, but not
403 limited to, the placement of video lottery terminals within
404 a retail establishment and for the active oversight of the
405 conduct of video lottery games. Any rule or portion of a

406 rule, as that term is defined in section 536.010, that is
407 created under the authority delegated in this section shall
408 become effective only if it complies with and is subject to
409 all of the provisions of chapter 536 and, if applicable,
410 section 536.028. This section and chapter 536 are
411 nonseverable and if any of the powers vested with the
412 general assembly pursuant to chapter 536 to review, to delay
413 the effective date, or to disapprove and annul a rule are
414 subsequently held unconstitutional, then the grant of
415 rulemaking authority and any rule proposed or adopted after
416 August 28, 2022, 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 eighty 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, video
10 lottery game handlers, and registration for video lottery
11 game sales agents available to applicants and promulgate any
12 emergency or regular rules and regulations needed for the
13 implementation of the video lottery system authorized under
14 sections 313.425 to 313.437 within one hundred eighty days
15 of the effective date of this act;

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

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 start date shall be set no more than ninety
29 days after applications are made available; and

30 (5) Establish a date that the video lottery game
31 system authorized pursuant to sections 313.425 to 313.437
32 may commence operation in a video lottery game retailer's
33 establishment, provided such date is not prior to January 1,
34 2024.

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.

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