

SENATE BILL NO. 19

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOSKINS.

0552S.04I

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal section 313.230, RSMo, and to enact in lieu thereof nine 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Section A. Section 313.230, RSMo, is repealed and nine
2 new sections enacted in lieu thereof, to be known as sections
3 313.230, 313.425, 313.427, 313.429, 313.431, 313.433, 313.434,
4 313.435, and 313.437, 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;

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

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

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 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.

✓