

SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 98

AN ACT

To repeal sections 311.660, 311.680, 311.710, 311.720, 313.004, 313.230, 313.255, 313.800, 572.010, 572.015, and 572.100, RSMo, and to enact in lieu thereof thirty-three new sections relating to gaming, with penalty provisions and a referendum clause.

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

Section A. Sections 311.660, 311.680, 311.710, 311.720, 313.004, 313.230, 313.255, 313.800, 572.010, 572.015, and 572.100, RSMo, are repealed and thirty-three new sections enacted in lieu thereof, to be known as sections 311.660, 311.680, 311.710, 311.720, 313.004, 313.230, 313.255, 313.425, 313.427, 313.429, 313.431, 313.433, 313.434, 313.435, 313.437, 313.800, 313.1000, 313.1002, 313.1003, 313.1004, 313.1006, 313.1008, 313.1010, 313.1012, 313.1014, 313.1016, 313.1018, 313.1021, 313.1022, 313.1024, 572.010, 572.015, and 572.100, to read as follows:

311.660. The supervisor of liquor control shall have the authority to suspend or revoke for cause all such licenses; and to make the following regulations, without limiting the generality of provisions empowering the supervisor of liquor control as in this chapter set forth as to the following matters, acts and things:

(1) Fix and determine the nature, form and capacity of all packages used for containing intoxicating liquor of any kind, to be kept or sold under this law;

(2) Prescribe an official seal and label and determine the manner in which such seal or label shall be attached to every package of intoxicating liquor so sold under this law; this includes prescribing different official seals or

different labels for the different classes, varieties or brands of intoxicating liquor;

(3) Prescribe all forms, applications and licenses and such other forms as are necessary to carry out the provisions of this chapter, except that when a licensee substantially complies with all requirements for the renewal of a license by the date on which the application for renewal is due, such licensee shall be permitted at least an additional ten days from the date notice is sent that the application is deficient, in which to complete the application;

(4) Prescribe the terms and conditions of the licenses issued and granted under this law;

(5) Prescribe the nature of the proof to be furnished and conditions to be observed in the issuance of duplicate licenses, in lieu of those lost or destroyed;

(6) Establish rules and regulations for the conduct of the business carried on by each specific licensee under the license, and such rules and regulations if not obeyed by every licensee shall be grounds for the revocation or suspension of the license;

(7) The right to examine books, records and papers of each licensee and to hear and determine complaints against any licensee;

(8) To issue subpoenas and all necessary processes and require the production of papers, to administer oaths and to take testimony;

(9) Prescribe all forms of labels to be affixed to all packages containing intoxicating liquor of any kind; [and]

(10) To refer to the Missouri gaming commission, Missouri lottery commission, Missouri state highway patrol, and local law enforcement agencies any suspected illegal gambling activity punishable under chapter 572 or sections

313.425 to 313.437 being conducted on the premises of a location licensed under this chapter, which shall be investigated under section 43.380; and

(11) To make such other rules and regulations as are necessary and feasible for carrying out the provisions of this chapter, as are not inconsistent with this law.

311.680. 1. Whenever it shall be shown, or whenever the supervisor of liquor control has knowledge, that a person licensed hereunder has not at all times kept an orderly place or house, or has violated any of the provisions of this chapter, the supervisor of liquor control may warn, place on probation on such terms and conditions as the supervisor of liquor control deems appropriate for a period not to exceed twelve months, suspend or revoke the license of that person, but the person shall have ten days' notice of the application to warn, place on probation, suspend or revoke the person's license prior to the order of warning, probation, revocation or suspension issuing.

2. Any wholesaler licensed pursuant to this chapter in lieu of, or in addition to, the warning, probation, suspension or revocation authorized in subsection 1 of this section, may be assessed a civil penalty by the supervisor of liquor control of not less than one hundred dollars or more than twenty-five hundred dollars for each violation.

3. Any solicitor licensed pursuant to this chapter in lieu of the suspension or revocation authorized in subsection 1 of this section may be assessed a civil penalty or fine by the supervisor of liquor control of not less than one hundred dollars nor more than five thousand dollars for each violation.

4. Any retailer with less than five thousand occupant capacity licensed pursuant to this chapter in lieu of the suspension or revocation authorized by subsection 1 of this

section may be assessed a civil penalty or fine by the supervisor of liquor control of not less than fifty dollars nor more than one thousand dollars for each violation.

5. Any retailer with five thousand or more occupant capacity licensed pursuant to this chapter in lieu of the suspension or revocation authorized by subsection 1 of this section, may be assessed a civil penalty or fine by the supervisor of liquor control of not less than fifty dollars nor more than five thousand dollars for each violation.

6. (1) Upon notification by the Missouri gaming commission, the Missouri lottery commission, or a law enforcement agency of possession of a gambling device, as defined pursuant to section 572.010, or of a device in violation of sections 313.425 to 313.437, by a person licensed pursuant to this chapter, the supervisor of liquor control shall suspend or revoke the license of such person on such terms and conditions as the supervisor of liquor control deems appropriate, provided such person shall be given ten days to remove such device from the premises prior to the supervisor of liquor control taking action pursuant to this subsection. Upon a second or subsequent notification pursuant to this subsection of the possession of such a device by a person licensed pursuant to this chapter, the supervisor of liquor control shall not be required to give such person ten days to remove such device from the premises prior to taking action pursuant to this subsection.

(2) The supervisor of liquor control shall, by no later than August 15, 2023, provide written or electronic notice to all persons licensed pursuant to this chapter informing such persons of the provisions of this subsection and section 311.720.

7. Any aggrieved person may appeal to the administrative hearing commission in accordance with section 311.691.

[7.] 8. In order to encourage the early resolution of disputes between the supervisor of liquor control and licensees, the supervisor of liquor control, prior to issuing an order of warning, probation, revocation, suspension, or fine, shall provide the licensee with the opportunity to meet or to confer with the supervisor of liquor control, or his or her designee, concerning the alleged violations. At least ten days prior to such meeting or conference, the supervisor shall provide the licensee with notice of the time and place of such meeting or conference, and the supervisor of liquor control shall also provide the licensee with a written description of the specific conduct for which discipline is sought, a citation of the law or rules allegedly violated, and, upon request, copies of any violation report or any other documents which are the basis for such action. Any order of warning, probation, revocation, suspension, or fine shall be effective no sooner than thirty days from the date of such order.

311.710. 1. In addition to the penalties and proceedings for suspension or revocation of licenses provided for in this chapter, and without limiting them, proceedings for the suspension or revocation of any license authorizing the sale of intoxicating liquor at retail may be brought in the circuit court of any county in this state, or in the city of St. Louis, in which the licensed premises are located and such proceedings may be brought by the sheriff or any peace officer of that county or by any eight or more persons who are taxpaying citizens of the county or city for any of the following offenses:

(1) Selling, giving or otherwise supplying intoxicating liquor to a habitual drunkard or to any person who is under or apparently under the influence of intoxicating liquor;

(2) Knowingly permitting any prostitute, degenerate, or dissolute person to frequent the licensed premises;

(3) Permitting on the licensed premises any disorderly conduct, breach of the peace, or any lewd, immoral or improper entertainment, conduct or practices;

(4) Selling, offering for sale, possessing or knowingly permitting the consumption on the licensed premises of any kind of intoxicating liquors, the sale, possession or consumption of which is not authorized under his license;

(5) Selling, giving, or otherwise supplying intoxicating liquor to any person under the age of twenty-one years;

(6) Selling, giving or otherwise supplying intoxicating liquors between the hours of 12:00 midnight Saturday night and 12:00 midnight Sunday night;

(7) Permitting on the licensed premises any form of gambling device punishable under chapter 572 or in violation of sections 313.425 to 313.437.

2. Provided, that said taxpaying citizen shall submit in writing, under oath, by registered United States mail to the supervisor of liquor control a joint complaint, stating the name of the licensee, the name under which the licensee's business is conducted and the address of the licensed premises, setting out in general the character and nature of the offense or offenses charged, together with the names and addresses of the witnesses by whom proof thereof is expected to be made; and provided, that after a period of thirty days after the mailing of such complaint to the

supervisor of liquor control the person therein complained of shall not have been cited by the supervisor to appear and show cause why his license should not be suspended or revoked then they shall file with the circuit clerk of the county or city in which the premises are located a copy of the complaint on file with the supervisor of liquor control.

3. If, pursuant to the receipt of such complaint by the supervisor of liquor control, the licensee appears and shows cause why his license should not be suspended or revoked at a hearing held for that purpose by the supervisor and either the complainants or the licensee consider themselves aggrieved with the order of the supervisor then, after a request in writing by either the complainants or the licensee, the supervisor shall certify to the circuit clerk of the county or city in which the licensed premises are located a copy of the original complaint filed with him, together with a copy of the transcript of the evidence adduced at the hearing held by him. Such certification by the supervisor shall not act as a supersedeas of any order made by him.

4. Upon receipt of such complaint, whether from the complainant directly or from the supervisor of liquor control, the court shall set a date for an early hearing thereon and it shall be the duty of the circuit clerk to cause to be delivered by registered United States mail to the prosecuting attorney of the county or to the circuit attorney of the city of St. Louis and to the licensee copies of the complaint and he shall, at the same time, give notice of the time and place of the hearing. Such notice shall be delivered to the prosecuting attorney or to the circuit attorney and to the licensee at least fifteen days prior to the date of the hearing.

5. The complaint shall be heard by the court without a jury and if there has been a prior hearing thereon by the supervisor of liquor control then the case shall be heard de novo and both the complainants and the licensee may produce new and additional evidence material to the issues.

6. If the court shall find upon the hearing that the offense or offenses charged in the complaint have been established by the evidence, the court shall order the suspension or revocation of the license but, in so doing, shall take into consideration whatever order, if any, may have been made in the premises by the supervisor of liquor control. If the court finds that to revoke the license would be unduly severe, then the court may suspend the license for such period of time as the court deems proper.

7. The judgment of the court in no event shall be superseded or stayed during pendency of any appeal therefrom.

8. It shall be the duty of the prosecuting attorney or circuit attorney to prosecute diligently and without delay any such complaints coming to him by virtue of this section.

9. The jurisdiction herein conferred upon the circuit courts to hear and determine complaints for the suspension or revocation of licenses in the manner provided in this section shall not be exclusive and any authority conferred upon the supervisor of liquor control to revoke or suspend licenses shall remain in full force and effect, and the suspension or revocation of a license as provided in this section shall be in addition to and not in lieu of any other revocation or suspension provided by this chapter.

10. Costs accruing because of such hearings in the circuit court shall be taxed in the same manner as criminal costs.

311.720. Conviction in any court of any violation of this chapter, or any felony violation of chapter 195,

chapter 572, or sections 313.425 to 313.437, in the course of business, shall have the effect of automatically revoking the license of the person convicted, and such revocation shall continue operative until said case is finally disposed of, and if the defendant is finally acquitted, he may apply for and receive a license hereunder, upon paying the regular license charge therefor, in the same manner as though he had never had a license hereunder; provided, however, that the provisions of this section shall not apply to violations of section 311.070, and violations of said section shall be punished only as therein provided.

313.004. 1. There is hereby created the "Missouri Gaming Commission" consisting of five members appointed by the governor, with the advice and consent of the senate. Each member of the Missouri gaming commission shall be a resident of this state. No member shall have pled guilty to or shall have been convicted of a felony or gambling-related offense. Not more than three members shall be affiliated with the same political party. No member of the commission shall be an elected official. The overall membership of the commission shall reflect experience in law enforcement, civil and criminal investigation and financial principles.

2. The initial members of the commission shall be appointed within thirty days of April 29, 1993. Of the members first appointed, one shall be appointed for a one-year term, two shall be appointed for a two-year term and two shall be appointed for a three-year term. Thereafter, all members appointed shall serve for a three-year term. No person shall serve as a member more than six years. The governor shall designate one of the members as the chair. The governor may remove any member of the commission from office for malfeasance or neglect of duty in office. The governor may also replace any member of the commission, with

the advice and consent of the senate, when any responsibility concerning the state lottery, pari-mutuel wagering or any other form of gaming is placed under the jurisdiction of the commission.

3. The commission shall meet at least quarterly in accordance with its rules. In addition, special meetings may be called by the chair or any two members of the commission upon twenty-four-hour written notice to each member. No action of the commission shall be binding unless taken at a meeting at which at least three of the five members are present and shall vote in favor thereof.

4. The commission shall perform all duties and have all the powers and responsibilities conferred and imposed upon it relating to excursion gambling boats and, after June 30, 1994, the lawful operation of the game of bingo under this chapter. Within the commission, there shall be established a division of gambling and after June 30, 1994, the division of bingo. Subject to appropriations, the commission may hire an executive director and any employees as it may deem necessary to carry out the commission's duties. The commission shall have authority to require investigations of any employee or applicant for employment as deemed necessary and use such information or any other information in the determination of employment. The commission shall promulgate rules and regulations establishing a code of ethics for its employees which shall include, but not be limited to, restrictions on which employees shall be prohibited from participating in or wagering on any game or gaming operation subject to the jurisdiction of the commission. The commission shall determine if any other employees of the commission or any licensee of the commission shall participate or wager in any operation under the jurisdiction of the commission.

5. On April 29, 1993, all the authority, powers, duties, functions, records, personnel, property, matters pending and all other pertinent vestiges of the state tourism commission relating to the regulation of excursion gambling boats and, after June 30, 1994, of the department of revenue relating to the regulation of the game of bingo shall be transferred to the Missouri gaming commission.

6. The commission shall be assigned to the department of public safety as a type III division, but the director of the department of public safety has no supervision, authority or control over the actions or decisions of the commission.

7. Members of the Missouri gaming commission shall receive as compensation, the amount of one hundred dollars for every day in which the commission holds a meeting, when such meeting is subject to the recording of minutes as provided in chapter 610, and shall be reimbursed for reasonable expenses incurred in the performance of their duties. The chair shall receive as additional compensation one hundred dollars for each month such person serves on the commission in that capacity.

8. No member or employee of the commission shall be appointed or continue to be a member or employee who is licensed by the commission as an excursion gambling boat operator or supplier and no member or employee of the commission shall be appointed or continue to be a member or employee who is related to any person within the second degree of consanguinity or affinity who is licensed by the commission as an excursion gambling boat operator or supplier. The commission shall determine by rule and regulation appropriate restrictions on the relationship of members and employees of the commission to persons holding or applying for occupational licenses from the commission or

to employees of any licensee of the commission. No peace officer, as defined by section 590.010, who is designated to have direct regulator authority related to excursion gambling boats shall be employed by any excursion gambling boat or supplier licensed by the commission while employed as a peace officer. No member or employee of the commission or any employee of the state attorney general's office or the state highway patrol who has direct authority over the regulation or investigation of any applicant or licensee of the commission or any peace officer of any city or county which has approved excursion boat gambling shall accept any gift or gratuity from an applicant or licensee while serving as a member or while under such employment. Any person knowingly in violation of the provisions of this subsection is guilty of a class A misdemeanor. Any such member, officer or employee who personally or whose prohibited relative knowingly violates the provisions of this subsection, in addition to the foregoing penalty, shall, upon conviction, immediately and thereupon forfeit his office or employment.

9. The commission may enter into agreements with the Federal Bureau of Investigation, the Federal Internal Revenue Service, the state attorney general, the Missouri state highway patrol, or any state, federal or local agency the commission deems necessary to carry out the duties of the commission, including investigations relating to and the enforcement of the provisions of chapter 572 relating to illegal gambling. No state agency shall count employees used in any agreements entered into with the commission against any personnel cap authorized by any statute. Any consideration paid by the commission for the purpose of entering into, or to carry out, any agreement shall be considered an administrative expense of the commission.

When such agreements are entered into for responsibilities relating to excursion gambling boats, or for the purpose of investigating illegal gambling pursuant to chapter 572 utilizing existing Missouri state highway patrol personnel assigned to enforce the regulations of licensed gaming activities governed by chapter 313, the commission shall require excursion gambling boat licensees to pay for such services under rules and regulations of the commission. The commission may provide by rules and regulations for the offset of any prize or winnings won by any person making a wager subject to the jurisdiction of the commission, when practical, when such person has an outstanding debt owed the state of Missouri.

10. No person who has served as a member or employee of the commission, as a member of the general assembly, as an elected or appointed official of the state or of any city or county of this state in which the licensing of excursion gambling boats has been approved in either the city or county or both or any employee of the state highway patrol designated by the superintendent of the highway patrol or any employee of the state attorney general's office designated by the state attorney general to have direct regulatory authority related to excursion gambling boats shall, while in such office or during such employment and during the first two years after termination of his office or position, obtain direct ownership interest in or be employed by any excursion gambling boat licensed by the commission or which has applied for a license to the commission or enter into a contractual relationship related to direct gaming activity. A "direct ownership interest" shall be defined as any financial interest, equitable interest, beneficial interest, or ownership control held by the public official or employee, or such person's family

member related within the second degree of consanguinity or affinity, in any excursion gambling boat operation or any parent or subsidiary company which owns or operates an excursion gambling boat or as a supplier to any excursion gambling boat which has applied for or been granted a license by the commission, provided that a direct ownership interest shall not include any equity interest purchased at fair market value or equity interest received as consideration for goods and services provided at fair market value of less than one percent of the total outstanding shares of stock of any publicly traded corporation or certificates of partnership of any limited partnership which is listed on a regulated stock exchange or automated quotation system. Any person who knowingly violates the provisions of this subsection is guilty of a class E felony. Any such member, officer or employee who personally and knowingly violates the provisions of this subsection, in addition to the foregoing penalty, shall, upon conviction, immediately and thereupon forfeit his office or employment. For purposes of this subsection, "appointed official" shall mean any official of this state or of any city or county authorized under subsection 10 of section 313.812 appointed to a position which has discretionary powers over the operations of any licensee or applicant for licensure by the commission. This shall only apply if the appointed official has a direct ownership interest in an excursion gambling boat licensed by the commission or which has applied for a license to the commission to be docked within the jurisdiction of his or her appointment. No elected or appointed official, his or her spouse or dependent child shall, while in such office or within two years after termination of his or her office or position, be employed by an applicant for an excursion gambling boat license or an

excursion gambling boat licensed by the commission. Any other person related to an elected or appointed official within the second degree of consanguinity or affinity employed by an applicant for an excursion gambling boat license or excursion gambling boat licensed by the commission shall disclose this relationship to the commission. Such disclosure shall be in writing and shall include who is employing such individual, that person's relationship to the elected or appointed official, and a job description for which the person is being employed. The commission may require additional information as it may determine necessary.

11. The commission may enter into contracts with any private entity the commission deems necessary to carry out the duties of the commission, other than criminal law enforcement, provision of legal counsel before the courts and other agencies of this state, and the enforcement of liquor laws. The commission may require provisions for special auditing requirements, investigations and restrictions on the employees of any private entity with which a contract is entered into by the commission.

12. Notwithstanding the provisions of chapter 610 to the contrary, all criminal justice records shall be available to any agency or commission responsible for licensing or investigating applicants or licensees applying to any gaming commission of this state.

13. (1) The commission shall establish a telephone contact number, which shall be prominently displayed on the commission's website, to receive reports of suspected illegal gambling activities. Upon the receipt of such report, the commission shall refer such reports to the Missouri state highway patrol for investigation pursuant to this section. The commission shall notify the subject of

such investigation within thirty days of receiving a report under this subsection.

(2) The superintendent of the highway patrol shall initiate investigations of potential violations punishable under chapter 572, including referrals made by the Missouri gaming commission pursuant to this section.

(3) Upon the request of a prosecuting or circuit attorney, the attorney general shall aid a prosecuting or circuit attorney in prosecuting violations referred by the superintendent of the highway patrol.

(4) Local law enforcement agencies shall notify the supervisor of liquor control, the state lottery commission, and the Missouri gaming commission of all investigations of potential violations punishable under chapter 572.

(5) The provisions of this subsection shall not preclude or hinder the ability of a local law enforcement agency to conduct investigations into potential violations punishable under chapter 572 or any other crime or criminal activity in its jurisdiction.

(6) Any person or establishment licensed under this chapter that is convicted of or pleads guilty to a violation punishable under chapter 572, or sections 213.425 to 313.437, and any affiliated company of such person or establishment, shall be permanently prohibited from being licensed to participate in any way in the video lottery gaming program authorized pursuant to sections 313.425 to 313.437.

313.230. The commission shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[(4)] (5) Report quarterly to the governor and the general assembly the total lottery revenues, prize disbursements and other expenses for the preceding quarter, and to make an annual report, which shall include a full and complete statement of lottery revenues, prize disbursements and other expenses, to the governor and the general assembly, and including such recommendations for changes in

sections 313.200 to 313.350 as it deems necessary or desirable;

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

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

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

313.255. 1. The director shall issue, suspend, revoke, and renew licenses for lottery game retailers pursuant to rules and regulations adopted by the commission. Such rules shall specify that at least ten percent of all licenses awarded to lottery game retailers in constitutional charter cities not within a county and constitutional charter cities with a population of at least four hundred fifty thousand not located wholly within a

county of the first class with a charter form of government shall be awarded to minority-owned and -controlled business enterprises. Licensing rules and regulations shall include requirements relating to the financial responsibility of the licensee, the accessibility of the licensee's place of business or activity to the public, the sufficiency of existing licenses to serve the public interest, the volume of expected sales, the security and efficient operation of the lottery, and other matters necessary to protect the public interest and trust in the lottery and to further the sales of lottery tickets or shares. Lottery game retailers shall be selected without regard to political affiliation.

2. The commission may sell lottery tickets at its office and at special events.

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

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

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

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

- (1) Has knowingly provided false or misleading information to the commission or its employees;
- (2) Has been convicted of any felony; or
- (3) Has endangered the security of the lottery.

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

- (1) A change of business location;
- (2) An insufficient sales volume;

(3) A delinquency in remitting money owed to the lottery; [or]

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

(5) Possession of a gambling device as defined pursuant to section 572.010 or possession of a device in violation of sections 313.425 to 313.437.

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

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

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

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

(3) "Director", the director of the commission;

(4) "Fraternal organization", any organization within this state operating under the lodge system which exists for the common benefit, brotherhood, or other interest of its members, except college fraternities and sororities, of which no part of the net earnings inures to the benefit of any private shareholder or any individual member of such organization, which has been exempted from the payment of

federal income tax, and which derives its charter from a national fraternal organization which regularly meets;

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

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

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

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

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

(10) "Video lottery game manufacturer" or "distributor", any person licensed by the commission that manufactures video lottery game terminals or major parts and components for video lottery game terminals as approved by the lottery commission for sale to licensed video lottery game operators, or a person licensed by the commission to distribute or service video lottery game terminals or major parts and components of video lottery game terminals including buying, selling, leasing, renting, or financing new, used, or refurbished video lottery game terminals to and from licensed video lottery game manufacturers and licensed video lottery game operators;

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

(12) "Video lottery game retailer", a retail establishment meeting the requirements of a lottery game retailer under section 313.260, that secures and maintains a license to conduct video lottery games played on a video lottery game terminal or terminals and that is a fraternal organization, veterans organization, or truck stop. A video lottery game retailer shall not operate in any location that is within a ten mile radius of an excursion gambling boat licensed pursuant to this chapter;

(13) "Video lottery game terminal", a player-activated terminal that exchanges coins, currency, tickets, ticket vouchers, or electronic payment methods approved by the commission for credit on such terminal used to play video

lottery games approved by the commission. Such video lottery game terminals shall use a video display and microprocessor capable of randomly generating the outcome of such video lottery games and be capable of printing and issuing a ticket at the conclusion of any video lottery game play that may be redeemed at a video lottery game ticket redemption terminal or may be reinserted into a video lottery game terminal at the retail establishment where it was printed for video lottery game credit and game plays. All video lottery games approved by the commission for play on a video lottery game terminal shall have a minimum theoretical payout of eighty-five percent. The term "video lottery game terminal" shall include any video pull-tab machine approved by the commission;

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

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

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

313.429. 1. Beginning January 1, 2024, the commission shall implement a system of video lottery game terminals

utilizing a licensing structure for processing license applications and issuing licenses to video lottery game manufacturers, video lottery game distributors, video lottery game operators, video lottery game handlers, and video lottery game retailers for the conduct of lottery games utilizing video lottery game terminals within the state; except that, a person licensed as a:

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

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

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

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

2. Under no circumstances shall the commission:

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

(2) Allow a single licensed video lottery game operator to control or operate more than twenty-five percent of video lottery game terminals in the state after December 31, 2029.

3. (1) The video lottery game system authorized by this section shall allow for multiple video lottery game manufacturers, video lottery game distributors, and video

lottery game operators to encourage private sector investment and job opportunities for Missouri citizens. Video lottery game terminals shall be connected to a centralized computer system developed or procured by the commission. The commission shall provide licensed video lottery game operators with the necessary protocols to connect the operators' video lottery game terminal or terminals to the centralized computer system after such terminal or terminals have been approved by the commission. No video lottery game terminal shall be in operation unless connected to the centralized computer system after such terminal or terminals have been approved by the commission. A vendor that provides the centralized computer system authorized under this subsection shall not be eligible to be licensed as a video lottery game operator or video lottery game retailer. The commission may impose an initial nonrefundable license application fee to cover the cost of investigating the background of the licensee, including a criminal background check, as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7. (1) Licensed video lottery game operators:

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

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

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

(d) Shall, notwithstanding the provisions of section 313.321 to the contrary, pay all video lottery game winnings using a video lottery game ticket redemption terminal. Such video lottery ticket redemption terminal shall be located within the video lottery game retailer's establishment in

direct proximity of where such video lottery games are offered. Video lottery game operators shall pay the commission thirty-two percent of any unclaimed cash prize associated with a winning ticket that has not been redeemed within one hundred eighty days of issue.

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

(2) Licensed video lottery game operators and licensed video lottery game retailers shall enter into a written agreement for the placement of video lottery game terminals. The agreement shall be on a form approved by the commission and shall specify an equal division of adjusted gross receipts between the video lottery game operator and the video lottery game retailer after adjustments for taxes and administrative fees are made. A video lottery game operator shall be responsible for remitting to the commission and the video lottery game retailer its share of adjusted gross receipts. Nothing in this subdivision shall prohibit a licensed video lottery game operator from entering into an agreement with a sales agent for retailer agreements provided such agreement is in writing and approved by the commission prior to beginning sales activities and prior to the start date established pursuant to section 313.431. Video lottery game operators and their sales agents and affiliates and video lottery game retailers are specifically prohibited from offering anything of value, other than the percentage of adjusted gross receipts provided under this subsection, or entering into an agreement with a retailer prior to the start date for the initial or continued placement of video lottery game terminals. Contract agreements entered into prior to the

start date established pursuant to section 313.431 between a prospective video lottery game terminal operator or sales agent with a prospective video lottery game retailer shall be invalid. Persons violating this subdivision shall forfeit their right to a license to operate video lottery game terminals for a period of one year.

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

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

8. No licensed video lottery game operator shall:

(1) Offer video lottery gaming terminals that directly dispense anything of value except for tickets for winning plays. Tickets shall be dispensed by pressing the ticket dispensing button on the video lottery gaming terminal at the end of any video lottery game play. The ticket shall indicate the total amount of video lottery game terminal credits and the cash award, the time of day in a 24-hour format showing hours and minutes, the date, the terminal serial number, the sequential number of the ticket, and an

encrypted validation number from which the validity of the prize may be determined. The cost of the video lottery game terminal credits shall be one cent, five cents, ten cents, or twenty-five cents, and the maximum wager played per video lottery game shall not exceed five dollars, with the payoff for a winning maximum wager for a single game play being no more than one thousand dollars;

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

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

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

9. (1) A person under twenty-one years of age shall not play video lottery games, and such video lottery game terminals shall be under the supervision of a person that is at least twenty-one years of age to prevent persons under twenty-one years of age from playing video lottery games.

Video lottery game terminals shall be placed in a fully enclosed room that is continually monitored by video surveillance and where access to persons under twenty-one years of age is denied by a procedure approved by the commission. A warning sign shall be posted in a conspicuous location where such video lottery game terminals are located, containing in red lettering at least one-half inch high on a white background the following:

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

In addition to the placement and supervision requirements of this subsection, a video lottery game operator shall provide video surveillance in the immediate area of the video lottery game retailer's establishment where video lottery game terminals are located. Recorded video from such surveillance system shall be made available to the commission upon request and shall be reviewed by video lottery game operators as required by the commission for any violation of law, rules, or regulations governing the conduct of video lottery games. A video lottery game operator that fails to review such surveillance video and report any known violation of law, rules, or regulations governing the conduct of video lottery games in conformance with established commission procedures may be subject to an administrative fine not to exceed five thousand dollars. Any video lottery game retailer that fails to report any known violation of law, rules, or regulations governing the conduct of video lottery games in conformance with established commission procedures may be subject to an administrative fine not to exceed five thousand dollars. Video lottery game retailers shall provide an intrusion detection system capable of detecting unauthorized entrance of the video lottery game retailer's establishment during

nonbusiness hours and shall report to the commission any unauthorized entrance of the video lottery game retailer's establishment. Such surveillance and intrusion detection system shall meet specifications as defined by the commission.

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

10. (1) Video lottery game operators shall pay the commission thirty-six percent of the video lottery game adjusted gross receipts, which shall be deposited in the state lottery fund. The commission shall transfer, subject to appropriation, the amount received from the operator from the lottery fund to the lottery proceeds fund after administrative expenses equal to four percent of the video lottery game adjusted gross receipts are paid to the municipality where a licensed video lottery game retailer maintains an establishment licensed for the operation of video lottery game terminals, or if such licensed establishment is not located within the corporate boundaries of a municipality, then the county where such licensed establishment is located to reimburse such municipality or county for administrative expenses, and any administrative expenses for the commission that are not covered by reimbursements from operators are deducted. Net proceeds transferred to the lottery proceeds fund shall be appropriated to public elementary and secondary education and public institutions of higher education.

(2) Video lottery game operators shall retain the remainder of the video lottery game adjusted gross receipts, a portion of which shall be utilized to pay for

administrative expenses which shall include the cost of the centralized computer system, which cost shall be paid by video lottery game operators in proportion to the number of video lottery game terminals operated. Fifty percent of the costs of the centralized computer system shall be apportioned by the video lottery game operator among video lottery game retailers to which it provides operations based on the number of video lottery game terminals located at the video lottery game retailer's establishment. The remainder of adjusted gross receipts retained by the video lottery game operator, after the cost of the centralized computer system and administrative costs are paid and apportioned, shall be divided equally between the video lottery game operator and video lottery game retailer as agreed under subdivision (2) of subsection 6 of this section.

11. All revenues received by the commission from license fees and any reimbursements associated with the administration of the provisions of sections 313.425 to 313.437, and all interest earned thereon, shall be considered administrative expenses and shall be deposited in the state lottery fund. Moneys deposited into the state lottery fund from license fees and any reimbursements of commission administrative expenses to administer sections 313.425 to 313.437 shall be considered administrative expenses and shall not be considered net proceeds pursuant to Article III, Section 39(b) of the Missouri Constitution. Subject to appropriation, up to one percent of such license fees shall be deposited to the credit of the compulsive gamblers fund created under section 313.842. The remainder of the money deposited in the state lottery fund from video lottery game license fees and any reimbursements of commission administrative expenses to enforce sections 313.425 to 313.437 shall, subject to appropriation, be used

for administrative expenses associated with supervising and enforcing the provisions of sections 313.425 to 313.437.

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

(2) The Missouri gaming commission shall report any violation of sections 313.425 to 313.437 to the director for appropriate disciplinary action, and shall refer any potential criminal violation, with any evidence thereof, to the appropriate law enforcement agency. Any appeal of disciplinary action taken shall be pursuant to rules and regulations adopted by the commission and shall be consolidated with any appeal of disciplinary action taken against any other license issued by the commission to the same licensee. Upon a finding that a video lottery game licensee committed a violation of sections 313.425 to 313.437, the director may impose an administrative fine not to exceed five thousand dollars, suspend the applicable license for up to thirty days, and, in the case of a repeated knowing violation, revoke such license for a period of one year.

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

13. In addition to any other penalties provided by law, the possession or use of any video gaming terminal, machine, or device capable of simulating lottery games, games of chance, or gambling games, whether or not there is an element of skill involved, that uses a video display and

microprocessor capable of randomly generating the outcome of such games in the possession of any video lottery game licensee that is not authorized by the commission, shall be a violation of sections 313.425 to 313.437. Any lottery vendor or licensee that violates the provisions of this subsection shall be deemed guilty of a class D felony and fined up to ten thousand dollars per occurrence, and such fines shall be deposited in the compulsive gamblers fund created under section 313.842. The commission shall suspend or revoke the license of any lottery vendor or licensee that allows the use of any video terminal, gambling machine, or device other than a video lottery game terminal authorized pursuant to sections 313.425 to 313.437.

14. The commission shall adopt rules for the implementation of the video lottery game system authorized under sections 313.425 to 313.437, including, but not limited to, the placement of video lottery terminals within a retail establishment and for the active oversight of the conduct of video lottery games. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2021, shall be invalid and void.

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

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

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

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

(4) Establish a start date, once applications and the approved form contract are made available, whereby any person seeking a license as a video lottery game operator that has applied for a license to be a video lottery game terminal operator, has paid the initial license fee, and satisfactorily completed an initial criminal background check may begin soliciting contracts with prospective video lottery game retailers for the placement of video lottery terminals. Such date shall be set no more than sixty days after applications are made available.

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

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

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

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

313.435. A municipality may adopt an ordinance prohibiting video lottery game terminals within the corporate limits of such municipality within one hundred eighty days from the effective date of this act. A county commission may, for the unincorporated area of the county, adopt an ordinance prohibiting video lottery game terminals within the unincorporated area of the county within one hundred eighty days from the effective date of this act. Any municipality or county adopting an ordinance prohibiting the use of video lottery game terminals or repealing such an ordinance prohibiting video lottery game terminals shall notify and transmit such ordinance to the commission within ten days. The commission shall not license video lottery game retailers within such area covered by such ordinance. Any such municipality or county that has opted to prohibit the use of video lottery game terminals to play video lottery games may repeal such ordinance and upon such repeal the commission may license video lottery game retailers

within such municipality or county to conduct video lottery games.

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

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

(1) "Adjusted gross receipts", the gross receipts from licensed gambling games and devices less winnings paid to wagerers. "Adjusted gross receipts" shall not include adjusted gross receipts from sports wagering as defined in section 313.1000;

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

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

(4) "Capital, cultural, and special law enforcement purpose expenditures" shall include any disbursement, including disbursements for principal, interest, and costs of issuance and trustee administration related to any indebtedness, for the acquisition of land, land improvements, buildings and building improvements, vehicles, machinery, equipment, works of art, intersections, signing, signalization, parking lot, bus stop, station, garage, terminal, hanger, shelter, dock, wharf, rest area, river port, airport, light rail, railroad, other mass transit, pedestrian shopping malls and plazas, parks, lawns, trees, and other landscape, convention center, roads, traffic

control devices, sidewalks, alleys, ramps, tunnels, overpasses and underpasses, utilities, streetscape, lighting, trash receptacles, marquees, paintings, murals, fountains, sculptures, water and sewer systems, dams, drainage systems, creek bank restoration, any asset with a useful life greater than one year, cultural events, and any expenditure related to a law enforcement officer deployed as horse-mounted patrol, school resource or drug awareness resistance education (D.A.R.E) officer;

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

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

(7) "Credit instrument", a written check, negotiable instrument, automatic bank draft or other authorization from a qualified person to an excursion gambling boat licensee or any of its affiliated companies licensed by the commission authorizing the licensee to withdraw the amount of credit extended by the licensee to such person from the qualified person's banking account in an amount determined under section 313.817 on or after a date certain of not more than thirty days from the date the credit was extended, and includes any such writing taken in consolidation, redemption or payment of a previous credit instrument, but does not include any interest-bearing installment loan or other extension of credit secured by collateral;

(8) "Dock", the location in a city or county authorized under subsection 10 of section 313.812 which contains any natural or artificial space, inlet, hollow, or basin, in or adjacent to a bank of the Mississippi or Missouri Rivers, next to a wharf or landing devoted to the embarking of passengers on and disembarking of passengers from a gambling excursion but shall not include any

artificial space created after May 20, 1994, and is located more than one thousand feet from the closest edge of the main channel of the river as established by the United States Army Corps of Engineers;

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

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

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

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

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

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

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

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

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

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

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

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

2. In addition to the games of skill defined in this section, the commission may approve other games of skill upon receiving a petition requesting approval of a gambling game from any applicant or licensee. The commission may set the matter for hearing by serving the applicant or licensee with written notice of the time and place of the hearing not less than five days prior to the date of the hearing and posting a public notice at each commission office. The commission shall require the applicant or licensee to pay the cost of placing a notice in a newspaper of general circulation in the applicant's or licensee's home dock city or county. The burden of proof that the gambling game is a game of skill is at all times on the petitioner. The petitioner shall have the affirmative responsibility of

establishing his or her case by a preponderance of evidence including:

- (1) Is it in the best interest of gaming to allow the game; and
- (2) Is the gambling game a game of chance or a game of skill?

All testimony shall be given under oath or affirmation. Any citizen of this state shall have the opportunity to testify on the merits of the petition. The commission may subpoena witnesses to offer expert testimony. Upon conclusion of the hearing, the commission shall evaluate the record of the hearing and issue written findings of fact that shall be based exclusively on the evidence and on matters officially noticed. The commission shall then render a written decision on the merits which shall contain findings of fact, conclusions of law and a final commission order. The final commission order shall be within thirty days of the hearing. Copies of the final commission order shall be served on the petitioner by certified or overnight express mail, postage prepaid, or by personal delivery.

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

(1) "Adjusted gross receipts":

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

(b) The total of:

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

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

c. Voided wagers; and

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

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

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

(2) "Approved limited mobile gaming system", a limited mobile gaming system approved by the commission;

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

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

(5) "Commission", the Missouri gaming commission;

(6) "Department", the department of revenue;

(7) "Designated entertainment district", any establishment registered to do business in this state that is or becomes licensed pursuant to chapter 311 to sell liquor at retail, and that is an area owned and operated by an entity or affiliated entities that are licensed pursuant to chapter 311 as an entertainment district as defined in section 313.086, and such entity or affiliate entities have made a verifiable financial investment of more than two hundred million dollars to develop such district;

(8) "Designated sports and entertainment district":

(a) Any area within this state that is a designated entertainment district as of the effective date of sections 313.1000 to 313.1024 and continues to be qualified as an a

designated entertainment district thereafter; provided, however, that for the purposes of sections 313.1000 to 313.1024 the boundaries of such designated entertainment district shall not be enlarged or otherwise modified after the effective date of sections 313.1000 to 313.1024; or

(b) The premises of a facility located in this state with a seating capacity of seventeen thousand five hundred people or more, at which one or more professional sports teams plays its home games, and the surrounding area within four hundred yards of such premises;

(9) "Designated sports and entertainment district entity":

(a) An establishment that is a designated entertainment district as of the effective date of sections 313.1000 to 313.1024; or

(b) A person or entity registered to do business in this state that owns or operates a professional sports team that plays its home games within a designated sports and entertainment district;

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

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

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

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

(14) "Licensed facility", an excursion gambling boat licensed under this chapter;

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

(16) "Official league data", statistics, results, outcomes, and other data relating to an athletic or sporting event obtained pursuant to an agreement with the relevant sports governing body, or an entity contracted with the sports governing body to provide such information to sports wagering operators, which authorizes the use of such data for determining the outcome of tier two sports wagers;

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

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

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

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

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

(22) "Sports wagering commercial activity", any operation, promotion, signage, advertising, or other business activity relating to sports wagering, including the operating or advertising of a business or location at which sports wagering is offered or a business or location at

which sports wagering through one or more interactive sports wagering platforms is promoted or advertised;

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

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

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

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

(27) "Tier two sports wager", a sports wager that is not a tier one sports wager.

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

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

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

2. A licensed facility may offer sports wagering:

(1) In person at the licensed facility; and
(2) Over the internet via an interactive sports
wagering platform to persons physically located in this
state.

3. Notwithstanding any other provision of law to the
contrary, sports wagering commercial activity shall be
prohibited from being conducted within any designated sports
and entertainment district by or on behalf of any person or
entity that directly or indirectly offers sports wagering in
person or over the internet via an interactive sports
wagering platform, except to the extent such prohibition is
waived in writing by each designated sports and
entertainment district entity located in such designated
sports and entertainment district and such written waiver is
delivered to the commission. Nothing in this subsection
shall prohibit:

(1) Any certificate holder from offering sports
wagering over the internet via an interactive sports
wagering platform that is accessible to persons physically
located within such designated sports and entertainment
district in accordance with the provisions of sections
313.1000 to 313.1024; or

(2) Any restaurant, bar, or other business physically
located within a designated sports and entertainment
district from advertising sports wagering or conducting any
sports wagering commercial activity within its premises if
such advertising or commercial activity is not conducted by
or on behalf of, by contract or otherwise, any person or
entity that, directly or indirectly, offers sports wagering
in person or over the internet via an interactive sports
wagering platform.

313.1004. 1. The commission shall adopt rules to
implement the provisions of sections 313.1000 to 313.1024.

Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2021, shall be invalid and void.

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

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

(a) Wagers are received;

(b) Payouts are paid; and

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

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

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

(4) Standards concerning the detection and prevention of compulsive gambling; and

(5) Standards prohibiting sports wagering commercial activity within any designated sports and entertainment district and standards for applying and enforcing any waiver

of such prohibition by a designated sports and entertainment district entity pursuant to subsection 3 of section 313.1003.

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

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

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

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

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

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

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

(c) Receive complaints from the public;

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

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

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

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

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

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

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

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

2. (1) A certificate holder shall designate an area or areas within the certificate holder's licensed facility for conducting sports wagering. In addition to such designated area, sports wagering may be conducted at any location authorized under subsection 9 of this section through the use of an approved limited mobile gaming system.

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

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

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

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

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

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

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

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

9. (1) A certificate holder may request approval from the commission to use a limited mobile gaming system in the certificate holder's sports wagering operations.

(2) A certificate holder may approve the use of a limited mobile gaming system to allow a patron to wager on sports while in the following locations:

(a) The area designated under subsection 2 of this section;

(b) A gaming or other betting area of the certificate holder's licensed facility that is outside of the area designated under subsection 2 of this section; or

(c) A hotel, restaurant, or other amenity that is operated by the certificate holder and subject to the supervision of the commission.

A patron shall not transmit a sports wager using a limited mobile gaming system while present in any other location.

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

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

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

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

3. Each year on or before the anniversary date of the payment of the initial application fee under subsection 2 of this section, an interactive sports wagering platform provider holding a license issued under this section shall pay to the commission an annual license renewal fee of fifty thousand dollars. Such license renewal fees and the initial application fee provided for under subdivision (2) of subsection 2 of this section shall be deposited in the

gaming commission fund and distributed according to section 313.835.

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

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

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

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

2. The commission shall adopt rules and regulations for a sports wagering self-exclusion program consistent with those adopted under sections 313.800 to 313.850. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2021, shall be invalid and void.

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

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

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

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

(4) Are not otherwise false, misleading, or deceptive to a reasonable consumer; and

(5) Are not undertaken within any designated sports and entertainment district without a waiver from each applicable designated sports and entertainment district entity pursuant to subsection 3 of section 313.1003.

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

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

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

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

(c) Prevent the sharing of confidential information that could affect sports wagering offered by the certificate

holder or by third parties until the information is made publicly available; and

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

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

3. The commission shall determine what, if any, restrictions, limits, or exclusions shall be imposed on tier two sports wagers placed on non-exhibition games or events of professional sports organizations or the National Collegiate Athletics Association. For the purposes of this subsection, "professional sports organization" shall include, but shall not be limited to, the National Football League, Major League Baseball, the National Basketball Association, the National Hockey League, Major League Soccer, and the Professional Golfers Association. Such term shall not include minor league baseball or any other developmental league, whether or not such league is affiliated with a professional sports organization. The provisions of this subsection shall not apply to tier one sports wagers.

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

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

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

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

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

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

(5) Suspicious or illegal wagering activities.

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

7. (1) Certificate holders may use any data source to determine the results of tier one sports wagers, provided the data is not obtained directly or indirectly from live event attendees who collect the data in violation of the terms of admittance to an event or through automated computer programs that compile data from the internet in violation of the terms of service of the relevant website or other internet platform.

(2) Certificate holders shall use official league data to determine the results of tier two wagers, unless the certificate holder can demonstrate to the commission that the sports governing body or its designee cannot provide a feed of official league data to the certificate holder on commercially reasonable terms.

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

313.1016. 1. A certificate holder, for bets and wagers that exceed ten thousand dollars in a twenty-four-

hour period and that were placed in person by a patron, shall maintain the following records for a period of at least three years after the sporting event occurs:

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

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

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

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

4. If a sports governing body has notified the commission that real-time information sharing for wagers placed on its sporting events is necessary and desirable, sports wagering operators shall share in real time, at the account level, and in pseudonymous form, the information

required to be retained under subsections 1 and 2 of this section, other than video files, with the sports governing body or its designee with respect to wagers on its sporting events. Such information may be used by a sports governing body solely for integrity purposes.

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

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

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

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

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

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

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

313.1021. 1. A wagering tax equal to rate imposed pursuant to section 313.822 is imposed on the adjusted gross receipts received from sports wagering conducted by a certificate holder under sections 313.1000 to 313.1024. If a third party is contracted to conduct sports wagering at a certificate holder's licensed facility, the third party contractor shall fulfill the certificate holder's duties under this section.

2. A certificate holder shall remit the tax imposed by subsection 1 of this section to the department before the close of the business day one day prior to the last business day of each month for the wagering taxes collected for such month. Any taxes collected during the month, but after the day on which the taxes are required to be paid to the department, shall be paid to the department at the same time the following month's taxes are due.

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

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

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

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

313.1022. All sports wagers authorized under sections 313.1000 to 313.1024 shall be deemed initiated, received, and otherwise made on the property of an excursion gambling boat within this state. Consistent with the intent of the United States Congress as articulated in the Unlawful Internet Gambling Enforcement Act of 2006, 31 U.S.C. Sections 5361 to 5367, as amended, the intermediate routing of electronic data relating to lawful intrastate sports wagers authorized under sections 313.1000 to 313.1024 shall

not determine the location or locations in which such wager is initiated, received, or otherwise made.

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

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

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

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

(5) The commission shall promulgate rules to implement the provisions of this subsection. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2021, shall be invalid and void.

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

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

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

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

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

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

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

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

572.010. As used in this chapter the following terms mean:

(1) "Advance gambling activity", a person advances gambling activity if, acting other than as a player, he or she engages in conduct that materially aids any form of gambling activity. Conduct of this nature includes but is not limited to conduct directed toward the creation or establishment of the particular game, lottery, contest, scheme, device or activity involved, toward the acquisition or maintenance of premises, paraphernalia, equipment or apparatus therefor, toward the solicitation or inducement of persons to participate therein, toward the actual conduct of the playing phases thereof, toward the arrangement or communication of any of its financial or recording phases, or toward any other phase of its operation. A person advances gambling activity if, having substantial proprietary control or other authoritative control over premises being used with his or her knowledge for purposes of gambling activity, he or she permits that activity to occur or continue or makes no effort to prevent its occurrence or continuation. The supplying, servicing and operation of a licensed excursion gambling boat under sections 313.800 to 313.840 does not constitute advancing gambling activity;

(2) "Bookmaking", advancing gambling activity by unlawfully accepting bets from members of the public as a business, rather than in a casual or personal fashion, upon the outcomes of future contingent events;

(3) "Contest of chance", any contest, game, gaming scheme or gaming device in which the outcome depends in a material degree upon an element of chance, notwithstanding that the skill of the contestants may also be a factor therein;

(4) "Gambling", a person engages in gambling when he or she stakes or risks something of value upon the outcome

of a contest of chance or a future contingent event not under his or her control or influence, upon an agreement or understanding that he or she will receive something of value in the event of a certain outcome. Gambling does not include bona fide business transactions valid under the law of contracts, including but not limited to contracts for the purchase or sale at a future date of securities or commodities, and agreements to compensate for loss caused by the happening of chance, including but not limited to contracts of indemnity or guaranty and life, health or accident insurance; nor does gambling include playing an amusement device that confers only an immediate right of replay not exchangeable for something of value. Gambling does not include any licensed activity, or persons participating in such games which are covered by sections 313.800 to 313.840;

(5) "Gambling device", any device, machine, paraphernalia or equipment that is not approved by the Missouri gaming commission or state lottery commission under the provisions of chapter 313 and that:

(a) Contains a random number generator where prize payout percentages are controlled or adjustable;

(b) Is used in any scenario where coins or cash prizes are involved or any scenario where a prize is converted to cash or monetary credit of any kind related to the use of the gambling device; or

(c) Is used or usable in the playing phases of any gambling activity, whether that activity consists of gambling between persons or gambling by a person with a machine, regardless of whether the machine or device or system or network of devices includes a preview of the outcome or whether the outcome is known, displayed, or capable of being known or displayed to the user;

Any device not described in paragraphs (a) to (c) of this subdivision that a reasonable person would believe is usable or can be made readily usable in gambling or any phases of gambling activity shall be prima facia evidence of a gambling device and may be subject to seizure by any peace officer in this state. However, lottery tickets, policy slips and other items used in the playing phases of lottery and policy schemes are not gambling devices within this definition;

(6) "Gambling record", any article, instrument, record, receipt, ticket, certificate, token, slip or notation used or intended to be used in connection with unlawful gambling activity;

(7) "Lottery" or "policy", an unlawful gambling scheme in which for a consideration the participants are given an opportunity to win something of value, the award of which is determined by chance;

(8) "Player", a person who engages in any form of gambling solely as a contestant or bettor, without receiving or becoming entitled to receive any profit therefrom other than personal gambling winnings, and without otherwise rendering any material assistance to the establishment, conduct or operation of the particular gambling activity. A person who gambles at a social game of chance on equal terms with the other participants therein does not otherwise render material assistance to the establishment, conduct or operation thereof by performing, without fee or remuneration, acts directed toward the arrangement or facilitation of the game, such as inviting persons to play, permitting the use of premises therefor and supplying cards or other equipment used therein. A person who engages in "bookmaking" as defined in subdivision (2) of this section is not a player;

(9) "Professional player", a player who engages in gambling for a livelihood or who has derived at least twenty percent of his or her income in any one year within the past five years from acting solely as a player;

(10) "Profit from gambling activity", a person profits from gambling activity if, other than as a player, he or she accepts or receives money or other property pursuant to an agreement or understanding with any person whereby he participates or is to participate in the proceeds of gambling activity;

(11) "Slot machine", a gambling device that as a result of the insertion of a coin or other object operates, either completely automatically or with the aid of some physical act by the player, in such a manner that, depending upon elements of chance, from the perspective of a player or a reasonable person, it may eject something of value, regardless of whether the machine or device or system or network of devices includes a preview of the outcome or whether the outcome is known, displayed, or capable of being known or displayed to the user. A device so constructed or readily adaptable or convertible to such use is no less a slot machine because it is not in working order or because some mechanical act of manipulation or repair is required to accomplish its adaptation, conversion or workability. Nor is it any less a slot machine because apart from its use or adaptability as such it may also sell or deliver something of value on a basis other than chance;

(12) "Something of value", any money or property, any token, object or article exchangeable for money or property, or any form of credit or promise directly or indirectly contemplating transfer of money or property or of any interest therein or involving extension of a service,

entertainment or a privilege of playing at a game or scheme without charge;

(13) "Unlawful", not specifically authorized by law.

572.015. 1. Nothing in this chapter prohibits constitutionally authorized activities under Article III, Sections 39(a) to 39(f) of the Missouri Constitution.

2. For the purposes of this section and Article III, Section 39(f) of the Missouri Constitution, the following terms shall mean:

(1) "Net proceeds", the gross amount paid for tickets for a raffle or sweepstakes minus the payment of prizes and administrative expenses. Administrative expenses relating to the purchase or rental of supplies and equipment utilized in conducting the raffle or sweepstakes shall not be in excess of the reasonable market purchase price or reasonable market rental rate for such supplies and equipment, and in no case shall such administrative expenses be based on a percentage of proceeds;

(2) "Raffle" or "sweepstakes", the award by chance of one or more prizes to one or more persons among a group of persons who have paid or promised something of value in exchange for a ticket that represents one or more equal chances to win a prize, and for which all tickets have been sold prior to the selection of a winner or winners;

(3) "Sponsor", the offering of a raffle or sweepstakes by an organization recognized as charitable or religious pursuant to federal law in which the entire net proceeds of such raffle or sweepstakes shall be exclusively devoted to the lawful purposes of the organization permitted to conduct the raffle or sweepstakes.

572.100. The general assembly by enacting this chapter intends to preempt any other regulation of the area covered by this chapter. No governmental subdivision or agency may

enact or enforce a law that regulates or makes any conduct in the area covered by this chapter an offense, or the subject of a criminal or civil penalty or sanction of any kind, except for the revocation, suspension, or denial by the Missouri lottery commission, the Missouri gaming commission, or the division of alcohol and tobacco control of a license issued under chapter 311 or 313. The term "gambling", as used in this chapter, does not include licensed activities under sections 313.800 to 313.840.

Section B. This act is hereby submitted to the qualified voters of this state for approval or rejection at an election which is hereby ordered and which shall be held and conducted on Tuesday next following the first Monday in November, 2022, pursuant to the laws and constitutional provisions of this state for the submission of referendum measures by the general assembly, and this act shall become effective when approved by a majority of the votes cast thereon at such election and not otherwise.