

FIRST REGULAR SESSION

HOUSE BILL NO. 326

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES PORTWOOD, BEARDEN AND REID (Co-sponsors).

Read 1st time January 11, 2001, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

0780L.021

AN ACT

To repeal sections 160.534, 164.303, 313.300, 313.321 and 313.822, RSMo 2000, relating to gambling moneys for schools, and to enact in lieu thereof six new sections relating to the same subject.

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

Section A. Sections 160.534, 164.303, 313.300, 313.321 and 313.822, RSMo 2000, are repealed and six new sections enacted in lieu thereof, to be known as sections 160.534, 164.303, 166.480, 313.300, 313.321 and 313.822, to read as follows:

160.534. [For fiscal year 1996 and each subsequent fiscal year,] **1. Any amount of the excursion gambling boat proceeds deposited in the gaming proceeds for education fund in excess of the amount transferred to the school district bond fund as provided in section 164.303, RSMo, shall be transferred to the state school moneys fund. Prior to July 1, 2002, such moneys shall be transferred on a monthly basis and shall be distributed in the manner provided in section 163.031, RSMo. Beginning July 1, 2002, such moneys shall be transferred on a monthly basis to the classroom trust fund created in section 166.480, RSMo, and, except as provided in subsection 4 of section 166.480, RSMo, shall be distributed on a per-pupil basis pursuant to section 166.480, RSMo.**

2. The amount transferred to the classroom trust fund pursuant to subsection 1 of this section, minus any amounts transferred back to the state school moneys fund pursuant to subsection 4 of section 166.480, RSMo, shall be replaced in the state school moneys fund from general revenue.

164.303. There is hereby established in the state treasury the "School District Bond

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

2 Fund". Such amounts as may be necessary to fund the annual requests submitted by the health
3 and educational facilities authority to fund the payment of costs and grants as provided in
4 subsection 7 of section 360.106 and sections 360.111 to 360.118, RSMo, and necessary costs for
5 administration of those provisions, but not to exceed seven million dollars per year, shall be
6 transferred by appropriation to the fund from the gaming proceeds for education fund before any
7 amounts in the gaming proceeds for education fund are transferred [to the state school moneys
8 fund,] as provided in section 160.534, RSMo. Moneys deposited in the school district bond fund
9 shall be used by the health and educational facilities authority, subject to appropriation, to fund
10 the payment of costs and grants as provided in subsection 7 of section 360.106 and sections
11 360.111 to 360.118, RSMo, and necessary costs for administration of those provisions.
12 Notwithstanding the provisions of section 33.080, RSMo, to the contrary, moneys in the fund
13 shall not be transferred to the credit of the general revenue fund at the end of each biennium.

**166.480. 1. For fiscal year 2003 and each subsequent fiscal year, the "Classroom
2 Trust Fund", which is hereby created in the state treasury, shall be distributed to each
3 school district on a per eligible pupil basis, except as provided in subsection 4 of this
4 section. The moneys remaining in the classroom trust fund after the distributions
5 described in subsection 3 of this section shall be exempt from salary compliance pursuant
6 to section 165.016, RSMo. The moneys remaining in the classroom trust fund after the
7 distributions described in subsection 4 of this section may be used by the district for such
8 purposes as the district deems appropriate.**

9 **2. The classroom trust fund shall consist of:**

10 **(1) All moneys transferred to it pursuant to section 160.534, RSMo;**

11 **(2) All unclaimed lottery prize money transferred to it pursuant to section 313.300,
12 RSMo;**

13 **(3) All previously unallocated moneys from the state lottery fund transferred to it
14 pursuant to section 313.321, RSMo;**

15 **(4) All moneys transferred to the fund from the lottery proceeds fund as created
16 in article III, section 39(b) of the Missouri Constitution. Beginning July 1, 2002, all moneys
17 previously in, or thereafter deposited in, the lottery proceeds fund shall be transferred to
18 the classroom trust fund. The moneys deposited in the classroom trust fund pursuant to
19 this section shall be used, pursuant to this section, solely for the purposes approved in
20 article III, section 39(b) of the Missouri Constitution and shall be considered state funds
21 pursuant to article IV, section 15 of the Missouri Constitution;**

22 **(5) All moneys appropriated to the fund; and**

23 **(6) All gifts, bequests and donations to the fund.**

24 **3. The classroom trust fund shall be administered by the state board of education**

25 pursuant to this section. All interest and moneys earned on the fund shall be credited to
26 the fund. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, moneys
27 in the fund shall not be transferred to general revenue at the end of the biennium.

28 4. The moneys deposited in the classroom trust fund pursuant to this section shall
29 be transferred on a monthly basis as follows:

30 (1) For fiscal year 2003, twenty percent shall remain in the classroom trust fund
31 and eighty percent shall be transferred to the state school moneys fund;

32 (2) For fiscal year 2004, forty percent shall remain in the classroom trust fund and
33 sixty percent shall be transferred to the state school moneys fund;

34 (3) For fiscal year 2005, sixty percent shall remain in the classroom trust fund and
35 forty percent shall be transferred to the state school moneys fund;

36 (4) For fiscal year 2006, eighty percent shall remain in the classroom trust fund and
37 twenty percent shall be transferred to the state school moneys fund; and

38 (5) For fiscal year 2007 and every fiscal year thereafter, one hundred percent shall
39 remain in the classroom trust fund.

313.300. Unclaimed prize money shall be retained by the commission for the person
2 entitled thereto for one year after the time at which the prize was awarded. If no claim is made
3 for the prize within such year, the prize money shall be [reverted to the state lottery fund]
4 transferred to the classroom trust fund established pursuant to section 166.480, RSMo.

313.321. 1. The money received by the Missouri state lottery commission from the sale
2 of Missouri lottery tickets and from all other sources shall be deposited in the "State Lottery
3 Fund", which is hereby created in the state treasury. At least forty-five percent, in the aggregate,
4 of the money received from the sale of Missouri lottery tickets shall be appropriated to the
5 Missouri state lottery commission and shall be used to fund prizes to lottery players. Amounts
6 in the state lottery fund may be appropriated to the Missouri state lottery commission for
7 administration, advertising, promotion, and retailer compensation. The general assembly shall
8 appropriate remaining moneys not previously allocated from the state lottery fund by transferring
9 such moneys to the [general revenue fund] classroom trust fund created in section 166.480,
10 RSMo. The lottery commission shall make monthly transfers of moneys not previously allocated
11 from the state lottery fund to the [general revenue] classroom trust fund as provided by
12 appropriation.

13 2. The commission may also purchase and hold title to any securities issued by the
14 United States government or its agencies and instrumentalities thereof that mature within the
15 term of the prize for funding multi-year payout prizes.

16 3. The "Missouri State Lottery Imprest Prize Fund" is hereby created. This fund is to be
17 established by the state treasurer and funded by warrants drawn by the office of administration

18 from the state lottery fund in amounts specified by the commission. The commission may write
19 checks and disburse moneys from this fund for the payment of lottery prizes only and for no
20 other purpose. All expenditures shall be made in accordance with rules and regulations
21 established by the office of administration. Prize payments may also be made from the state
22 lottery fund. Prize payouts made pursuant to this section shall be subject to the provisions of
23 section 143.781, RSMo; and prize payouts made pursuant to this section shall be subject to set
24 off for delinquent child support payments as assessed by a court of competent jurisdiction or
25 pursuant to section 454.410, RSMo.

26 4. Funds of the state lottery commission not currently needed for prize money,
27 administration costs, commissions and promotion costs shall be invested by the state treasurer
28 in interest-bearing investments in accordance with the investment powers of the state treasurer
29 contained in chapter 30, RSMo. All interest earned by funds in the state lottery fund shall accrue
30 to the credit of that fund.

31 5. No state or local sales tax shall be imposed upon the sale of lottery tickets or shares
32 of the state lottery or on any prize awarded by the state lottery. No state income tax or local
33 earnings tax shall be imposed upon any lottery game prizes which accumulate to an amount of
34 less than six hundred dollars during a prize winner's tax year. The state of Missouri shall
35 withhold for state income tax purposes from a lottery game prize or periodic payment of six
36 hundred dollars or more an amount equal to four percent of the prize.

37 6. The director of revenue is authorized to enter into agreements with the lottery
38 commission, in conjunction with the various state agencies pursuant to sections 143.782 to
39 143.788, RSMo, in an effort to satisfy outstanding debts to the state from the lottery winning of
40 any person entitled to receive lottery payments which are subject to federal withholding.

41 7. In addition to the restrictions provided in section 313.260, no person, firm, or
42 corporation whose primary source of income is derived from the sale or rental of sexually
43 oriented publications or sexually oriented materials or property shall be licensed as a lottery
44 game retailer and any lottery game retailer license held by any such person, firm, or corporation
45 shall be revoked.

313.822. A tax is imposed on the adjusted gross receipts received from gambling games
2 authorized pursuant to sections 313.800 to 313.850 at the rate of twenty percent. The taxes
3 imposed by this section shall be returned to the commission in accordance with the commission's
4 rules and regulations who shall transfer such taxes to the director of revenue. All checks and
5 drafts remitted for payment of these taxes and fees shall be made payable to the director of
6 revenue. If the commission is not satisfied with the return or payment made by any licensee, it
7 is hereby authorized and empowered to make an assessment of the amount due based upon any
8 information within its possession or that shall come into its possession. Any licensee against

9 whom an assessment is made by the commission may petition for a reassessment. The request
10 for reassessment shall be made within twenty days from the date the assessment was mailed or
11 delivered to the licensee, whichever is earlier. Whereupon the commission shall give notice of
12 a hearing for reassessment and fix the date upon which the hearing shall be held. The assessment
13 shall become final if a request for reassessment is not received by the commission within the
14 twenty days. Except as provided in this section, on and after April 29, 1993, all functions
15 incident to the administration, collection, enforcement, and operation of the tax imposed by
16 sections 144.010 to 144.525, RSMo, shall be applicable to the taxes and fees imposed by this
17 section.

18 (1) Each excursion gambling boat shall designate a city or county as its home dock. The
19 home dock city or county may enter into agreements with other cities or counties authorized
20 pursuant to subsection 10 of section 313.812 to share revenue obtained pursuant to this section.
21 The home dock city or county shall receive ten percent of the adjusted gross receipts tax
22 collections, as levied pursuant to this section, for use in providing services necessary for the
23 safety of the public visiting an excursion gambling boat. Such home dock city or county shall
24 annually submit to the commission a shared revenue agreement with any other city or county.
25 All moneys owed the home dock city or county shall be deposited and distributed to such city
26 or county in accordance with rules and regulations of the commission. All revenues provided
27 for in this section to be transferred to the governing body of any city not within a county and any
28 city with a population of over three hundred fifty thousand inhabitants shall not be considered
29 state funds and shall be deposited in such city's general revenue fund to be expended as provided
30 for in this section.

31 (2) The remaining amount of the adjusted gross receipts tax shall be **credited as follows:**

32 **(a) Prior to July 1, 2002, the remaining amount of the adjusted gross receipts tax**
33 **shall be** deposited in the state treasury to the credit of the "Gaming Proceeds for Education
34 Fund" which is hereby created in the state treasury. Moneys deposited in this fund shall be
35 considered the proceeds of excursion boat gambling **pursuant to article III, section 39(d) of**
36 **the Missouri Constitution** and **shall be considered** state funds pursuant to article IV, section
37 15 of the Missouri Constitution. All interest received on the gaming proceeds for education fund
38 shall be credited to the gaming proceeds for education fund. Appropriation of the moneys
39 deposited into the gaming proceeds for education fund shall be pursuant to state law; **and**

40 **(b) On July 1, 2002, all moneys in the gaming proceeds for education trust fund**
41 **shall be transferred to the classroom trust fund created in section 166.480, RSMo, and the**
42 **gaming proceeds for education fund shall be terminated. Beginning July 1, 2002, the**
43 **remaining amount of the adjusted gross receipts tax shall be deposited in the state treasury**
44 **to the credit of the classroom trust fund, and the moneys deposited in the classroom trust**

45 **fund shall be considered the proceeds of excursion boat gambling pursuant to article III,**
46 **section 39(d) of the Missouri Constitution and shall be considered state funds pursuant to**
47 **article IV, section 15 of the Missouri Constitution.**