

SECOND REGULAR SESSION

HOUSE BILL NO. 2088

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SHAUL (113).

4713H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 313.230, 313.800, and 313.807, RSMo, and to enact in lieu thereof twenty-eight new sections relating to gaming, with penalty provisions.

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

Section A. Sections 313.230, 313.800, and 313.807, RSMo, are repealed and twenty-eight new sections enacted in lieu thereof, to be known as sections 313.230, 313.360, 313.425, 313.427, 313.429, 313.431, 313.433, 313.434, 313.435, 313.437, 313.800, 313.807, 313.1000, 313.1002, 313.1003, 313.1004, 313.1006, 313.1008, 313.1010, 313.1012, 313.1014, 313.1016, 313.1018, 313.1019, 313.1020, 313.1021, 313.1022, and 313.1024, to read as follows:

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 dispense] lottery games based on the outcome of a sporting event, and the dispensing of lottery tickets. Lottery games based on the outcome of a sporting event shall be limited to "parlay games", which term shall mean a game in which two or more teams are involved in determining the winning outcome of the game;**

(b) The price, or prices, of 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;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

- 15 (e) The manner of payment of prizes to the holders of winning tickets or shares;
- 16 (f) The frequency of the drawings or selections of winning tickets or shares, without
17 limitation;
- 18 (g) The types or numbers of locations at which tickets or shares may be sold and the
19 method to be used in selling tickets or shares;
- 20 (h) The method to be used in selling tickets or shares;
- 21 (i) The licensing of lottery game retailers to sell tickets or shares;
- 22 (j) The manner and amount of compensation, including commissions, ticket discounts,
23 incentives and any other remuneration, to be paid to or retained by lottery game retailers;
- 24 (k) The apportionment of the total revenues accruing from the sale of lottery tickets or
25 shares and from all other sources among:
- 26 a. The payment of prizes to the holders of winning tickets or shares;
- 27 b. The payment of costs incurred in the operation and administration of the lottery,
28 including the expenses of the commission and the costs resulting from any contract or contracts
29 entered into for promotional, advertising or operational services or for the purchase or lease of
30 lottery equipment and materials;
- 31 c. For the repayment to the general revenue fund of any amount appropriated for initial
32 start-up of the lottery; and
- 33 d. For timely transfer to the state lottery fund as provided by law;
- 34 (l) Such other matters necessary or desirable for the efficient and economical operation
35 and administration of the lottery and for the convenience of the purchasers of tickets or shares
36 and the holders of winning tickets or shares. The commission may disburse money for payment
37 of lottery prizes;
- 38 (2) Amend, repeal, or supplement any such rules and regulations from time to time as
39 it deems necessary or desirable;
- 40 (3) Advise and make recommendations to the director regarding the operation and
41 administration of the lottery;
- 42 (4) Report quarterly to the governor and the general assembly the total lottery revenues,
43 prize disbursements and other expenses for the preceding quarter, and to make an annual report,
44 which shall include a full and complete statement of lottery revenues, prize disbursements and
45 other expenses, to the governor and the general assembly, and including such recommendations
46 for changes in sections 313.200 to 313.350 as it deems necessary or desirable;
- 47 (5) Report to the governor and general assembly any matters which shall require
48 immediate changes in the laws of this state in order to prevent abuses and evasions of sections
49 313.200 to 313.350 or rules and regulations promulgated thereunder or to rectify undesirable
50 conditions in connection with the administration or operation of the lottery;

51 (6) Carry on a continuous study and investigation of the lottery throughout the state and
52 to make a continuous study and investigation of the operation and the administration of similar
53 laws which may be in effect in other states or countries, any literature on the subject which from
54 time to time may be published or available, any federal laws which may affect the operation of
55 the lottery, and the reaction of Missouri citizens to existing and potential features of the lottery
56 with a view to recommending or effecting changes that will tend to serve the purposes of sections
57 313.200 to 313.350;

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

**313.360. Notwithstanding any other provision of law to the contrary, the
2 commission may incur fees when accepting debit cards or other electronic payment
3 methods for the sale of lottery game plays.**

**313.425. Sections 313.425 to 313.437 shall be known and may be cited as the
2 "Missouri Video Lottery Control Act" and shall establish the regulatory framework for
3 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 terms mean:

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

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

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

15 (4) "Truck stop", a location that provides parking and is equipped for fueling
16 commercial vehicles; that has sold on average ten thousand gallons of diesel or biodiesel
17 fuel each month for the previous twelve months or is projected to sell an average of ten
18 thousand gallons of diesel or biodiesel fuel each month for the next twelve months; that is
19 situated on two or more acres of land; that operates a convenience store; and that obtains

20 and maintains a lottery game retailer license issued by the commission to offer lottery
21 games played on video lottery game terminals;

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

29 (6) "Video lottery game", any lottery game approved by the commission for play
30 on a video lottery game terminal using video lottery game terminal credits that have been
31 purchased with cash, cash equivalents, or with a winning video lottery game terminal
32 ticket;

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

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

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

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

51 (11) "Video lottery game retailer":

52 (a) A retail establishment meeting the requirements of a lottery game retailer under
53 section 313.260 that secures and maintains a license to conduct video lottery games played
54 on a video lottery game terminal or terminals and that is a fraternal organization, veterans'
55 organization, or truck stop; or

56 **(b) Any entity that secures and maintains a license to conduct video lottery games**
57 **played on a video lottery game terminal or terminals and is licensed under chapter 311 to**
58 **sell liquor;**

59 **(12) "Video lottery game terminal", a player-activated terminal that exchanges**
60 **coins, currency, tickets, ticket vouchers, or electronic payment methods approved by the**
61 **commission for credit on a video lottery game terminal used to play video lottery games**
62 **approved by the commission. Such video lottery game terminals shall use a video display**
63 **and microprocessor capable of randomly generating the outcome of video lottery games**
64 **and be capable of printing and issuing a ticket at the conclusion of any video lottery game**
65 **play that may be redeemed at a video lottery game ticket redemption terminal or reinserted**
66 **into a video lottery game terminal for video lottery game credit and game plays. All video**
67 **lottery games approved by the commission for play on a video lottery game terminal shall**
68 **have a minimum theoretical payout of eighty-five percent;**

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

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

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

313.429. 1. (1) Except as provided in subdivision (2) of this subsection, the
2 **commission shall implement a system of video lottery game terminals using a licensing**
3 **structure for processing license applications and issuing licenses to video lottery game**
4 **manufacturers, video lottery game distributors, video lottery game operators, video lottery**
5 **game handlers, and video lottery game retailers for the conduct of lottery games using**
6 **video lottery game terminals within the state.**

7 **(2) No person licensed as a:**

8 **(a) Video lottery game manufacturer or a video lottery game distributor shall be**
9 **issued a license as a video lottery game operator or a video lottery game retailer;**

10 (b) Video lottery game operator shall be issued a license as a video lottery game
11 manufacturer, a video lottery game distributor, or video lottery game retailer; and

12 (c) Video lottery game retailer shall be issued a license as a video lottery game
13 manufacturer, a video lottery game distributor, or video lottery game operator.

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

18 2. Under no circumstances shall the commission:

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

21 (2) Allow a single licensed video lottery game operator to control or operate more
22 than twenty-five percent of video lottery game terminals in the state after December 31,
23 2025.

24 3. (1) The video lottery game system authorized by this section shall allow for
25 multiple video lottery game manufacturers, video lottery game distributors, and video
26 lottery game operators to encourage private sector investment and job opportunities for
27 Missouri citizens. Video lottery game terminals shall be connected to a central computer
28 system developed or procured by the commission. The commission shall provide licensed
29 video lottery game operators with the necessary protocols to connect the operators' video
30 lottery game terminal or terminals to the centralized computer system after such terminal
31 or terminals have been approved by the commission. No video lottery game terminal shall
32 be placed in operation without first connecting to the centralized computer system after
33 such terminal has been approved by the commission. A vendor that provides the
34 centralized computer system authorized under this subsection shall not be eligible to be
35 licensed as a video lottery game operator or video lottery game retailer. The commission
36 may impose an initial nonrefundable license application fee to cover the cost of
37 investigating the background of the licensee, including a criminal background check, as
38 follows:

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

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

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

44 (2) The initial license shall be for a period of one year. Thereafter, license renewal
45 periods shall be four years with the applicable annual renewal fee paid for each year of

46 such license renewal in advance. Annual license renewal fees for anyone licensed under
47 this subsection and subsequent to the initial one-year period shall be as follows:

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

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

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

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

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

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

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

71 6. (1) Video lottery game terminals shall meet independent testing standards
72 approved by the commission, as tested by one or more approved independent test labs, and
73 be capable of randomly generating the outcome of video lottery games approved by the
74 commission. Video lottery game terminals shall be capable of printing a ticket redeemable
75 for winning video lottery game plays. Such video lottery game terminals shall be inspected
76 and approved by the commission prior to being sold, leased, or transferred.

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

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

83 **7. (1) Licensed video lottery game operators:**

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

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

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

89 **(d) Shall, notwithstanding the provisions of section 313.321 to the contrary, pay all**
90 **video lottery game winnings using a video lottery game ticket redemption terminal. Such**
91 **video lottery ticket redemption terminal shall be located within the video lottery game**
92 **retailer's establishment in direct proximity to such video lottery games. Video lottery game**
93 **operators shall pay the commission thirty-two percent of any unclaimed cash prize**
94 **associated with a winning ticket that has not been redeemed within one hundred eighty**
95 **days of issue.**

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

99 **(3) Licensed video lottery game operators and licensed video lottery game retailers**
100 **shall enter into a written agreement for the placement of video lottery game terminals. The**
101 **agreement shall be on a form approved by the commission and shall specify an equal**
102 **division of adjusted gross receipts between the video lottery game operator and the video**
103 **lottery game retailer after adjustments for taxes and administrative fees are made. A video**
104 **lottery game operator shall be responsible for remitting to the commission and the video**
105 **lottery game retailer their respective shares of adjusted gross receipts. Nothing in this**
106 **subdivision shall prohibit a licensed video lottery game operator from entering into an**
107 **agreement with a sales agent for retailer agreements, provided such agreement is in writing**
108 **and approved by the commission prior to beginning sales activities and prior to the start**
109 **date established under section 313.431. Video lottery game operators and their sales agents**
110 **and affiliates and video lottery game retailers are specifically prohibited from offering**
111 **anything of value, other than the percentage of adjusted gross receipts provided under this**
112 **subsection, or entering into an agreement with a retailer prior to the start date for the**
113 **initial or continued placement of video lottery game terminals. Contract agreements**
114 **entered into prior to the start date established under section 313.431 between a prospective**
115 **video lottery game terminal operator or sales agent with a prospective video lottery game**

116 retailer shall be invalid. Persons violating this subdivision shall forfeit their right to a
117 license to operate video lottery game terminals for a period of one year.

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

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

130 8. No licensed video lottery game operator shall:

131 (1) Offer video lottery gaming terminals that directly dispense anything of value
132 except for tickets for winning plays. Tickets shall be dispensed by pressing the ticket
133 dispensing button on the video lottery gaming terminal at the end of any video lottery game
134 play. The ticket shall indicate the total amount of video lottery game terminal credits and
135 the cash award, the time of day in a twenty-four hour format showing hours and minutes,
136 the date, the terminal serial number, the sequential number of the ticket, and an encrypted
137 validation number from which the validity of the prize may be determined. The cost of the
138 video lottery game terminal credits shall be one cent, five cents, ten cents, or twenty-five
139 cents, and the maximum wager played per video lottery game shall not exceed five dollars
140 with the payoff for a winning maximum wager for a single game play being no more than
141 one thousand dollars;

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

145 (3) Operate more than five video lottery game terminals per location on the
146 premises of any business entity licensed as a video lottery game retailer establishment with
147 a license issued under chapter 311 to sell liquor;

148 (4) Advertise video lottery games outside of a licensed video lottery game retailer's
149 establishment through any media outlets, direct mail, or telephone solicitations. The
150 advertising prohibition contained in this subdivision shall apply to all licensees including,
151 but not limited to, video lottery game manufacturers, video lottery game distributors, video

152 lottery game operators, video lottery game retailers, and video lottery game handlers;
153 except that, a video lottery retailer may participate in an advertising program that is
154 promoted through and sponsored by the state lottery and may advertise in or on the
155 outside of the establishment's building and parking lot; or

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

158 9. (1) No person under twenty-one years of age shall play video lottery games, and
159 such video lottery game terminals shall be under the supervision of a person that is
160 twenty-one years of age or older to prevent persons under twenty-one years of age from
161 playing video lottery games. Video lottery game terminals shall provide a secure, real-time
162 method by which any person playing a video lottery game can electronically verify the
163 person's age and identity before the person is allowed to play any game on such terminal.
164 A warning sign shall be posted in a conspicuous location where such video lottery game
165 terminals are located, containing in red lettering at least one-half inch high on a white
166 background the following:

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

169 (2) In addition to the age and identity verification and supervision requirements
170 of this subsection, a video lottery game operator shall provide video surveillance in the
171 immediate area of the video lottery game retailer's establishment where video lottery game
172 terminals are located. Recorded video from such surveillance system shall be made
173 available to the commission upon request and shall be reviewed by video lottery game
174 operators as required by the commission for any violation of law, rules, or regulations
175 governing the conduct of video lottery games. A video lottery game operator that fails to
176 review such surveillance video and report any known violation of law, rules, or regulations
177 governing the conduct of video lottery games in conformance with established commission
178 procedures may be subject to an administrative fine not to exceed five thousand dollars.
179 Any video lottery game retailer that fails to report any known violation of law, rules, or
180 regulations governing the conduct of video lottery games in conformance with established
181 commission procedures may be subject to an administrative fine not to exceed five
182 thousand dollars. In the event a video lottery game operator or retailer is found to have
183 knowingly committed a violation governing the conduct of video lottery games, the
184 commission may impose an administrative fine not to exceed five thousand dollars, suspend
185 such operator's or retailer's license for up to thirty days, or in the case of repeated
186 violations revoke such operator's or retailer's license for a period of one year. Any video
187 lottery game operator or retailer aggrieved by the commission's decision in any

188 disciplinary action that results in the suspension or revocation of such operator's or
189 retailer's video lottery game license may appeal such decision by filing an action in circuit
190 court. The commission shall refer a violation of the criminal code, with any evidence
191 thereof, to the appropriate law enforcement officials.

192 (3) Video lottery game retailers shall provide an intrusion detection system capable
193 of detecting unauthorized entrance of the video lottery game retailer's establishment
194 during nonbusiness hours and shall report to the commission any unauthorized entrance
195 of the video lottery game retailer's establishment. Such surveillance and intrusion
196 detection system shall meet specifications as defined by the commission.

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

201 10. (1) Video lottery game operators shall pay the commission thirty-six percent
202 of the video lottery game adjusted gross receipts, which shall be deposited in the state
203 lottery fund. The commission shall transfer, subject to appropriation, the amount received
204 from the operator from the lottery fund to the lottery proceeds fund after administrative
205 expenses equal to four percent of the video lottery game adjusted gross receipts are paid
206 to the municipality where a licensed video lottery game retailer maintains an establishment
207 licensed for the operation of video lottery game terminals, or if such licensed establishment
208 is not located within the corporate boundaries of a municipality, then to the county where
209 such licensed establishment is located to reimburse such municipality or county for
210 administrative expenses, and after any administrative expenses for the commission that are
211 not covered by reimbursements from operators are deducted. Net proceeds transferred
212 to the lottery proceeds fund shall be appropriated equally to public elementary and
213 secondary education and public institutions of higher education with an emphasis on
214 funding elementary and secondary education student transportation costs under section
215 163.161 and public institutions of higher education workforce development programs.

216 (2) Video lottery game operators shall retain the remainder of the video lottery
217 game adjusted gross receipts, a portion of which shall be used to pay for administrative
218 expenses which shall include the cost of the centralized computer system, which cost shall
219 be paid by video lottery game operators in proportion to the number of video lottery game
220 terminals operated. Fifty percent of the costs of the centralized computer system shall be
221 apportioned by the video lottery game operator among video lottery game retailers to
222 which it provides operations based on the number of video lottery game terminals located
223 at the video lottery game retailer's establishment. The remainder of adjusted gross receipts

224 retained by the video lottery game operator, after the cost of the centralized computer
225 system and administrative costs are paid and apportioned, shall be divided equally between
226 the video lottery game operator and video lottery game retailer as agreed under
227 subdivision (2) of subsection 6 of this section.

228 11. All revenues received by the commission from license fees and any
229 reimbursements associated with the administration of the provisions of sections 313.425
230 to 313.437, and all interest earned thereon, shall be considered administrative expenses and
231 shall be deposited in the state lottery fund. Moneys deposited into the state lottery fund
232 from license fees and any reimbursements of commission administrative expenses to
233 administer sections 313.425 to 313.437 shall be considered administrative expenses and
234 shall not be considered net proceeds under Article III, Section 39(b) of the Constitution of
235 Missouri. Subject to appropriation, up to one percent of such license fees shall be
236 deposited to the credit of the compulsive gamblers fund created under section 313.842. The
237 remainder of the moneys deposited in the state lottery fund from video lottery game license
238 fees and any reimbursements of commission administrative expenses to enforce sections
239 313.425 to 313.437 shall, subject to appropriation, be used for administrative expenses
240 associated with supervising and enforcing the provisions of sections 313.425 to 313.437.

241 12. The commission shall contract with a state law enforcement entity to assist in
242 conducting investigations into applicants for any video lottery game license and to
243 investigate violations by any retail lottery game licensee of any of the provisions of sections
244 313.425 to 313.437 or state law regulating illegal gambling activities referred by the
245 commission. A video lottery game licensee suspected of a violation shall be afforded an
246 administrative hearing by the director of the state lottery on the record, and an appeal of
247 any action taken to impose a fine on such licensee, or to suspend or revoke the ability of a
248 licensee to offer lottery game products for sale, shall be to the commission. Any such
249 administrative suspension or revocation upheld by the commission may be appealed by the
250 video lottery game licensee in a state court of competent jurisdiction.

251 13. The possession or use of any video gaming terminal, machine, or device capable
252 of simulating lottery games, games of chance, or gambling games, regardless of whether
253 there is an element of skill involved, that uses a video display and microprocessor capable
254 of randomly generating the outcome of such games in the possession of any video lottery
255 game licensee that is not authorized by the commission shall be a violation of sections
256 313.425 to 313.437. The commission shall have the power to investigate suspected
257 violations by any lottery license holder and to refer any violations or suspected violations
258 to the appropriate law enforcement authority. Any lottery vendor or licensee that violates
259 the provisions of this subsection shall be deemed guilty of a class D felony and fined up to

260 ten thousand dollars per occurrence, and such fines shall be deposited in the compulsive
261 gamblers fund created under section 313.842. The commission shall suspend or revoke the
262 license of any lottery vendor or licensee that allows the use of any video terminal, gambling
263 machine, or device other than a video lottery game terminal authorized under sections
264 313.425 to 313.437.

265 **14. The commission shall adopt rules for the implementation of the video lottery**
266 **game system authorized under sections 313.425 to 313.437 including, but not limited to, the**
267 **placement of video lottery game terminals within a retail establishment and the active**
268 **oversight of the conduct of video lottery games. Any rule or portion of a rule, as that term**
269 **is defined in section 536.010, that is created under the authority delegated in this section**
270 **shall become effective only if it complies with and is subject to all of the provisions of**
271 **chapter 536 and, if applicable, section 536.028. This section and chapter 536 are**
272 **nonseverable, and if any of the powers vested with the general assembly pursuant to**
273 **chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are**
274 **subsequently held unconstitutional, then the grant of rulemaking authority and any rule**
275 **proposed or adopted after August 28, 2020, shall be invalid and void.**

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

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

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

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

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

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

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

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

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

313.435. A municipality may adopt an ordinance prohibiting video lottery game
2 terminals within the corporate limits of such municipality within one hundred eighty days
3 after the effective date of this act. A county commission may, for the unincorporated area
4 of the county, adopt an ordinance prohibiting video lottery game terminals within the
5 unincorporated area of the county within one hundred eighty days after the effective date
6 of this act. The commission shall not license video lottery game retailers within such area
7 covered by such ordinance. Any such municipality or county that has opted to prohibit the
8 use of video lottery game terminals to play video lottery games may repeal such ordinance
9 and upon such repeal the commission may license video lottery game retailers within such
10 municipality or county to conduct video lottery games.

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

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

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

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

- 8 (3) "Bank", the elevations of ground which confine the waters of the Mississippi or
9 Missouri Rivers at the ordinary high water mark as defined by common law;
- 10 (4) "Capital, cultural, and special law enforcement purpose expenditures" shall include
11 any disbursement, including disbursements for principal, interest, and costs of issuance and
12 trustee administration related to any indebtedness, for the acquisition of land, land
13 improvements, buildings and building improvements, vehicles, machinery, equipment, works
14 of art, intersections, signing, signalization, parking lot, bus stop, station, garage, terminal, hanger,
15 shelter, dock, wharf, rest area, river port, airport, light rail, railroad, other mass transit, pedestrian
16 shopping malls and plazas, parks, lawns, trees, and other landscape, convention center, roads,
17 traffic control devices, sidewalks, alleys, ramps, tunnels, overpasses and underpasses, utilities,
18 streetscape, lighting, trash receptacles, marquees, paintings, murals, fountains, sculptures, water
19 and sewer systems, dams, drainage systems, creek bank restoration, any asset with a useful life
20 greater than one year, cultural events, and any expenditure related to a law enforcement officer
21 deployed as horse-mounted patrol, school resource or drug awareness resistance education
22 (D.A.R.E) officer;
- 23 (5) "Cheat", to alter the selection of criteria which determine the result of a gambling
24 game or the amount or frequency of payment in a gambling game;
- 25 (6) "Commission", the Missouri gaming commission;
- 26 (7) "Credit instrument", a written check, negotiable instrument, automatic bank draft or
27 other authorization from a qualified person to an excursion gambling boat licensee or any of its
28 affiliated companies licensed by the commission authorizing the licensee to withdraw the amount
29 of credit extended by the licensee to such person from the qualified person's banking account in
30 an amount determined under section 313.817 on or after a date certain of not more than thirty
31 days from the date the credit was extended, and includes any such writing taken in consolidation,
32 redemption or payment of a previous credit instrument, but does not include any interest-bearing
33 installment loan or other extension of credit secured by collateral;
- 34 (8) "Dock", the location in a city or county authorized under subsection 10 of section
35 313.812 which contains any natural or artificial space, inlet, hollow, or basin, in or adjacent to
36 a bank of the Mississippi or Missouri Rivers, next to a wharf or landing devoted to the
37 embarking of passengers on and disembarking of passengers from a gambling excursion but shall
38 not include any artificial space created after May 20, 1994, and is located more than one
39 thousand feet from the closest edge of the main channel of the river as established by the United
40 States Army Corps of Engineers;
- 41 (9) "Excursion gambling boat", a boat, ferry or other floating facility licensed by the
42 commission on which gambling games are allowed;

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

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

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

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

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

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

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

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

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

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

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

72 2. (1) In addition to the games of skill defined in this section, the commission may
73 approve other games of skill upon receiving a petition requesting approval of a gambling game
74 from any applicant or licensee. The commission may set the matter for hearing by serving the
75 applicant or licensee with written notice of the time and place of the hearing not less than five
76 days prior to the date of the hearing and posting a public notice at each commission office. The
77 commission shall require the applicant or licensee to pay the cost of placing a notice in a
78 newspaper of general circulation in the applicant's or licensee's home dock city or county. The

79 burden of proof that the gambling game is a game of skill is at all times on the petitioner. The
80 petitioner shall have the affirmative responsibility of establishing ~~[his or her]~~ **such petitioner's**
81 case by a preponderance of evidence including:

82 ~~[(+)]~~ **(a)** Is it in the best interest of gaming to allow the game; and

83 ~~[(2)]~~ **(b)** Is the gambling game a game of chance or a game of skill?

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

313.807. 1. A person may apply to the commission for a license to conduct gambling
2 games on an excursion gambling boat or to operate an excursion gambling boat as provided in
3 sections 313.800 to 313.850. The application for such licenses shall be filed with the
4 commission and shall identify the excursion gambling boat upon which gambling games will be
5 authorized, shall specify the exact location where the excursion gambling boat will be docked,
6 shall specify the extent of the land-based economic development or impact and an affirmative
7 action plan for ownership, contracting and recruiting, training and hiring of minorities and
8 women in all employment classifications for that area, a lease with a home dock city or county,
9 or in lieu thereof a resolution adopted by a city or county supporting or opposing the docking and
10 land-based economic development or impact plan of the operator, and shall be in a form and
11 contain information as the commission prescribes. If a city or county fails to pass a resolution,
12 such action shall not adversely affect the application which shall be deemed complete. The
13 applicant for such license shall file with the application a nonrefundable fee of fifty thousand
14 dollars or fifteen thousand dollars for each person to be investigated, whichever amount is
15 greater. The applicant shall be responsible for the total cost of the investigation. If the cost of
16 the investigation exceeds the total amount of fees filed by the applicant in this subsection, the
17 commission may assess additional fees as it deems appropriate; however, if the applicant is
18 denied a license, the applicant shall be entitled to a refund of the difference between the
19 application fee and the actual cost of the investigation. The initial license and first subsequent
20 license renewal of an excursion gambling boat operator shall be for a period of one year.
21 Thereafter, license renewal periods shall be four years. However, the commission may reopen

22 licensing hearings at any time. The annual fee for anyone licensed pursuant to this subsection
23 shall be set by the commission at a minimum of twenty-five thousand dollars.

24 2. A person may apply to the commission for a license to conduct an occupation within
25 excursion gambling boat operations which the commission has identified as requiring a license.
26 The commission shall establish and charge holders of occupational licenses an annual license
27 fee for each occupation in amounts determined appropriate by the commission and shall be
28 charged each year the license is in effect. The commission shall set a nonrefundable filing fee
29 to cover the cost of any investigation. Each applicant for a license pursuant to this subsection
30 shall biennially file for a license.

31 3. A supplier shall biennially apply for a license. The application fee shall be a
32 nonrefundable amount set by the commission to cover the cost of any investigation. The annual
33 fee for such license shall be set by the commission. The commission shall set all standards for
34 equipment and supplies.

35 4. A licensee licensed to conduct gambling games shall acquire all gambling games or
36 implements of gambling from a licensed supplier or from a person or entity approved by the
37 commission. A licensee shall not sell or give gambling games or implements of gambling to
38 another licensee without the commission's prior written approval. Any licensed supplier shall
39 have a registered agent within this state.

40 5. The commission may issue a limited license to operate an excursion gambling boat
41 as defined ~~[pursuant to subdivision (7) of]~~ in section 313.800 at a dock other than its home dock,
42 if such city or county where such dock is located has approved gambling games on excursion
43 gambling boats pursuant to subsection 10 of section 313.812.

44 6. Prior to granting a license for an excursion gambling boat, the commission shall
45 ensure that the applicant complies with all local zoning laws, provided that such laws were not
46 changed to the detriment of the applicant having an ownership interest, including without
47 limitation, an option to purchase, a contingent purchase agreement, leasehold interest or
48 contingent leasehold interest, that is the subject of the zoning law change when such law is
49 enacted subsequent to the filing of such application. Nothing in this section shall be construed
50 to prohibit a change in local law in favor of the applicant having the ownership interest in the
51 property.

313.1000. As used in sections 313.1000 to 313.1024, the following terms shall mean:

2 **(1) "Adjusted gross receipts":**

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

5 **(b) The total of:**

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

- 7 **b. The actual costs paid by a sports wagering operator for any personal property**
8 **or services distributed to sports wagering patrons as prizes;**
- 9 **c. Voided wagers; and**
- 10 **d. Uncollectible sports wagering receivables, not to exceed the lesser of:**
- 11 **(i) A reasonable provision for uncollectible patron checks received from sports**
12 **wagering operations; or**
- 13 **(ii) Two percent of the total of all sums, including checks, whether collected or not,**
14 **less the amount paid out as winnings to sports wagering patrons. For purposes of this**
15 **section, a counter or personal check that is invalid or unenforceable under this section is**
16 **considered cash received by the sports wagering operator from sports wagering operations;**
- 17 **(2) "Certificate holder", a licensed applicant issued a certificate of authority by the**
18 **commission;**
- 19 **(3) "Certificate of authority", a certificate issued by the commission authorizing**
20 **a licensed applicant to conduct sports wagering under sections 313.1000 to 313.1024;**
- 21 **(4) "Commission", the Missouri gaming commission;**
- 22 **(5) "Department", the department of revenue;**
- 23 **(6) "Excursion gambling boat", the same meaning as defined under section**
24 **313.800;**
- 25 **(7) "Gross receipts", the total amount of cash and cash equivalents paid by sports**
26 **wagering patrons to a sports wagering operator to participate in sports wagering;**
- 27 **(8) "Interactive sports wagering platform" or "platform", a person that offers**
28 **sports wagering over the internet, including on internet websites and mobile devices on**
29 **behalf of a certificate holder;**
- 30 **(9) "Licensed applicant", a person holding a license issued under section 313.807**
31 **to operate an excursion gambling boat;**
- 32 **(10) "Licensed facility", an excursion gambling boat licensed under this chapter;**
- 33 **(11) "Licensed supplier", a person holding a supplier's license issued by the**
34 **commission;**
- 35 **(12) "Occupational license", a license issued by the commission;**
- 36 **(13) "Official league data", statistics, results, outcomes, and other data relating to**
37 **an athletic or sporting event obtained under an agreement with the relevant sports**
38 **governing body, or an entity expressly authorized by the sports governing body to provide**
39 **such information to sports wagering operators, that authorizes the use of such data for**
40 **determining the outcome of tier two sports wagers;**
- 41 **(14) "Person", an individual, sole proprietorship, partnership, association,**
42 **fiduciary, corporation, limited liability company, or any other business entity;**

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

47 (16) "Registered sports governing body", a sports governing body that is
48 headquartered in the United States and that has registered with the commission under
49 sections 313.1000 to 313.1024. "Registered sports governing body" shall not include the
50 National Collegiate Athletic Association;

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

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

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

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

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

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

69 (23) "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.
2 Section 1172, as amended.

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

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

3 **2. A licensed facility may offer sports wagering:**

4 **(1) In person at the licensed facility; and**

5 **(2) Over the internet via an interactive sports wagering platform to persons**
6 **physically located in this state.**

313.1004. 1. The commission shall adopt rules to implement the provisions of
2 **sections 313.1000 to 313.1024. Any rule or portion of a rule, as that term is defined in**
3 **section 536.010, that is created under the authority delegated in this section shall become**
4 **effective only if it complies with and is subject to all of the provisions of chapter 536 and,**
5 **if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any**
6 **of the powers vested with the general assembly pursuant to chapter 536 to review, to delay**
7 **the effective date, or to disapprove and annul a rule are subsequently held**
8 **unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted**
9 **after August 28, 2020, shall be invalid and void.**

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

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

14 **(a) Wagers are received;**

15 **(b) Payouts are paid; and**

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

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

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

24 **(4) Standards concerning the detection and prevention of compulsive gambling.**

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

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

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

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

33 **(4) Allow the commission to be present through the commission's gaming agents**
34 **when sports wagering is conducted in all areas of the certificate holder's licensed facility**
35 **in which sports wagering is conducted to do the following:**

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

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

39 **(c) Receive complaints from the public;**

40 **(5) Ensure that individuals who are under twenty-one years of age do not make**
41 **sports wagers;**

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

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

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

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

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

8 **2. Upon receipt of the application and fee required under subsection 1 of this**
9 **section, the commission shall issue a certificate of authority to a licensed applicant**
10 **authorizing the licensed applicant to conduct sports wagering under sections 313.1000 to**
11 **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,
2 **variations, or composites of sports wagering under the terms and conditions that the**
3 **commission considers appropriate prior to authorizing a certificate holder to offer a new**
4 **sports wagering device or a new form, variation, or composite of sports wagering.**

5 **2. (1) A certificate holder shall designate an area or areas within the certificate**
6 **holder's licensed facility for conducting sports wagering.**

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

10 **3. (1) Sports wagering may be conducted with chips, tokens, electronic cards, cash,**
11 **or other negotiable currency.**

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

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

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

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

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

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

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

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

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

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

8 **3. Each year on or before the anniversary date of the payment of the initial**
9 **application fee under this section, an interactive sports wagering platform provider holding**
10 **a license issued under this section shall pay to the commission an annual license renewal**
11 **fee of fifty thousand dollars. Such license renewal fees and the initial application fee**
12 **provided for under this section shall be deposited in the gaming commission fund and**
13 **distributed according to section 313.835.**

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

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

18 **(2) All documents, reports, and data submitted by an interactive sports wagering**
19 **platform provider to the commission containing proprietary information, trade secrets,**
20 **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
2 **legal minimum age for placing a wager under sections 313.1000 to 313.1024.**

3 **2. The commission shall adopt rules and regulations for a sports wagering**
4 **self-exclusion program consistent with those adopted under sections 313.800 to 313.850.**
5 **Any rule or portion of a rule, as that term is defined in section 536.010, that is created**
6 **under the authority delegated in this section shall become effective only if it complies with**
7 **and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.**
8 **This section and chapter 536 are nonseverable and if any of the powers vested with the**
9 **general assembly pursuant to chapter 536 to review, to delay the effective date, or to**
10 **disapprove and annul a rule are subsequently held unconstitutional, then the grant of**
11 **rulemaking authority and any rule proposed or adopted after August 28, 2020, shall be**
12 **invalid and void.**

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

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

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

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

19 **and**

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

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

6 **2. (1) A certificate holder shall employ commercially reasonable methods to:**

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

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

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

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

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

20 3. (1) A sports governing body may notify the commission that it desires to restrict,
21 limit, or exclude sports wagers on its sporting events by providing notice in the form and
22 manner as the commission may require, including but not limited to restrictions on the
23 sources of data and associated video upon which an operator may rely in offering and
24 paying wagers and the bet types that may be offered. Upon receiving such notice, the
25 commission shall only deny a request if it deems such request arbitrary and capricious.
26 If the commission denies a request, the sports governing body shall be afforded notice and
27 the right to be heard and offer proof in opposition to such determination in accordance
28 with the regulations of the commission. Offering or taking wagers contrary to restrictions
29 promulgated by the commission is a violation of this section. Except in relation to an
30 emergency situation as provided in subdivision (2) of this subsection, the provisions of this
31 subsection shall not apply to tier one sports wagers on nonexhibition games or events of
32 professional sports organizations or the National Collegiate Athletics Association. For the
33 purposes of this subsection, "professional sports organization" shall include, but not be
34 limited to, the National Football League, Major League Baseball, the National Basketball
35 Association, the National Hockey League, Major League Soccer, and the Professional
36 Golfers Association. "Professional sports organization" shall not include minor league
37 baseball or any other developmental league, regardless of whether such league is affiliated
38 with a professional sports organization.

39 (2) In the event that a request is submitted in relation to an emergency situation,
40 the executive director of the commission may temporarily grant the request of the sports
41 governing body until the commission makes a final determination as to whether such
42 request is arbitrary and capricious.

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

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

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

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

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

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

56 **(5) Suspicious or illegal wagering activities.**

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

60 **7. (1) Except as provided in subsection 8 of this section, certificate holders may use**
61 **any data source to determine the results of sports wagers, provided the data is not obtained**
62 **directly or indirectly from live event attendees who collect the data in violation of the terms**
63 **of admittance to an event or through automated computer programs that compile data**
64 **from the internet in violation of the terms of service of the relevant website or other**
65 **internet platform.**

66 **(2) Certificate holders shall not purchase or use any personal biometric data of an**
67 **athlete unless the certificate holder has received written permission from the athlete's**
68 **exclusive bargaining representative.**

69 **8. A sports governing body may notify the commission that it desires to supply**
70 **official league data to certificate holders for determining the results of tier two sports**
71 **wagers. Such notification shall be made in the form and manner as the commission may**
72 **require. Within thirty days of such notification by a sports governing body, certificate**
73 **holders shall use only official league data to determine the results of tier two sports wagers,**
74 **unless the certificate holder can demonstrate to the commission that the sports governing**
75 **body or its designee cannot provide a feed of official league data to the certificate holder**
76 **on commercially reasonable terms.**

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

5 **(1) Personally identifiable information of the bettor;**

6 **(2) The amount and type of bet placed;**

- 7 **(3) The time and date the bet was placed;**
8 **(4) The location, including specific information pertaining to the betting window,**
9 **where the bet was placed;**
10 **(5) The outcome of the bet; and**
11 **(6) Any discernable pattern of abnormal betting activity by the patron.**
- 12 **2. A certificate holder, for all bets and wagers placed through an interactive sports**
13 **wagering platform, shall maintain the following records for a period of at least three years**
14 **after the sporting event occurs:**
- 15 **(1) Personally identifiable information of the bettor;**
16 **(2) The amount and type of bet placed;**
17 **(3) The time and date the bet was placed;**
18 **(4) The location, including specific information pertaining to the internet protocol**
19 **address, where the bet was placed;**
20 **(5) The outcome of the bet; and**
21 **(6) Any discernable pattern of abnormal betting activity by the patron.**
- 22 **3. A certificate holder shall make the records and data that it is required to**
23 **maintain under this section available for inspection upon request of the commission or as**
24 **required by court order.**
- 25 **4. If a sports governing body has notified the commission that real-time**
26 **information sharing for wagers placed on its sporting events is necessary and desirable,**
27 **sports wagering operators shall share in real time, at the account level, and in**
28 **pseudonymous form, the information required to be retained under subsections 1 and**
29 **2 of this section, other than video files, with the sports governing body or its designee with**
30 **respect to wagers on its sporting events. Such information may be used by a sports**
31 **governing body solely for integrity purposes.**
- 313.1018. 1. The performance of any act required, or the forbearance of any act**
2 **prohibited, by sections 313.1000 to 313.1024, by an interactive sports wagering platform**
3 **provider is imputed to the certificate holder on behalf of which the platform is operating,**
4 **and vice versa.**
- 5 **2. A certificate holder is not liable under the laws of this state to any party,**
6 **including patrons, for disclosing information as required under sections 313.1000 to**
7 **313.1024, and is not liable for refusing to disclose information unless required under**
8 **sections 313.1000 to 313.1024.**
- 9 **3. Any person, firm, corporation, association, agent, or employee who knowingly**
10 **violates any procedure implemented under sections 313.1000 to 313.1024 shall be liable for**
11 **a civil penalty of not more than five thousand dollars for each violation, not to exceed fifty**

12 thousand dollars for violations arising out of the same transaction or occurrence, which
13 shall accrue to the state and may be recovered in a civil action brought by the commission.
14 Any licensee who violates any provision under sections 313.1000 to 313.1024 shall be
15 subject to the actions and penalties provided under subdivision (6) of section 313.805,
16 excluding any financial penalties in excess of those provided under this subsection.

17 4. (1) Any person, firm, corporation, association, agent, or employee shall be guilty
18 of a class E felony if such person, firm, corporation, association, agent, or employee:

19 (a) Places, or causes to be placed, a bet or wager on the basis of material nonpublic
20 information relating to that bet or wager; or

21 (b) Knowingly engages in, facilitates, or conceals conduct that intends to
22 improperly influence a betting outcome of a sporting event for purposes of financial gain
23 in connection with betting or wagering on a sporting event.

24 (2) For the purposes of this subsection, a bet or wager shall be "on the basis of
25 material nonpublic information" if the person placing the bet or wager, or causing it to be
26 placed, is aware of the material nonpublic information when such person places the bet or
27 wager or causes it to be placed. "Material nonpublic information" shall include personal
28 biometric data.

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

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

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

13 4. No later than April thirtieth of each year, a registered sports governing body
14 may submit a request for disbursement of funds remitted by certificate holders in the
15 previous calendar year. The commission shall disburse the funds to the registered sports
16 governing body in pro rata proportion of the total amount wagered on its sporting events.
17 No registered sports governing body shall be required to obtain a license from the
18 commission in order to lawfully accept the funds provided for in this subsection.

19 **5. The commission shall annually publish a report stating the amount received from**
20 **certificate holders in royalty fees and the amount paid to registered sports governing**
21 **bodies.**

22 **6. Any unclaimed royalty fees shall be distributed to the certificate holders that**
23 **timely remitted the royalties required under this section to the commission. Such royalties**
24 **shall be distributed to the eligible certificate holders on a pro rata basis.**

25 **7. The commission shall cooperate with a registered sports governing body and**
26 **certificate holders to ensure the timely, efficient, and accurate sharing of information and**
27 **the remittance of the royalty fee to the registered sports governing body or its designee.**

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

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

6 **(2) Sporting events involving at least one National Collegiate Athletic Association**
7 **Division I basketball team.**

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

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

13 **(2) The royalty fees collected under subdivision (2) of subsection 1 of this section**
14 **shall be distributed evenly among the public universities in this state that sponsor National**
15 **Collegiate Athletic Association Division I basketball teams.**

16 **3. The royalty fees received by public universities under this section shall be used**
17 **solely for athletics compliance.**

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

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

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

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

16 **5. (1) A certificate holder shall pay to the commission an annual administrative fee**
17 **of fifty thousand dollars. The fee imposed shall be due one year after the date on which**
18 **the certificate holder commences sports wagering operations under sections 313.1000 to**
19 **313.1024, and on each annual anniversary date thereafter. The commission shall deposit**
20 **the administrative fees received under this subsection in the gaming commission fund and**
21 **shall distribute such fees according to section 313.835.**

22 **(2) In addition to the annual administrative fee required under this subsection, a**
23 **certificate holder shall pay to the commission a fee of ten thousand dollars to cover the**
24 **costs of a full reinvestigation of the certificate holder in the fifth year after the date on**
25 **which the certificate holder commences sports wagering operations under sections**
26 **313.1000 to 313.1024 and on each fifth year thereafter. The commission shall deposit the**
27 **fees received under this subdivision in the gaming commission fund and shall distribute**
28 **such fees according to section 313.835.**

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

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

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

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

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

13 **(5) The commission shall promulgate rules to implement the provisions of this**
14 **subsection. Any rule or portion of a rule, as that term is defined in section 536.010, that**
15 **is created under the authority delegated in this section shall become effective only if it**
16 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**
17 **section 536.028. This section and chapter 536 are nonseverable, and if any of the powers**
18 **vested with the general assembly pursuant to chapter 536 to review, to delay the effective**
19 **date, or to disapprove and annul a rule are subsequently held unconstitutional, then the**
20 **grant of rulemaking authority and any rule proposed or adopted after August 28, 2020,**
21 **shall be invalid and void.**

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

28 **3. A person who alleges action or conduct by any person in violation of subsection**
29 **2 of this section may seek relief by bringing an action at law or equity in a court of**
30 **competent jurisdiction.**

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

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

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

40 **5. An action brought under subsection 3 of this section shall be commenced not**
41 **later than one hundred eighty days after the later of:**

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

43 **(2) The date on which the employee becomes aware of the violation.**

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