

HCS HB 2284 -- AUTHORIZES SPORTS WAGERING

SPONSOR: Smith

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Government Oversight by a vote of 9 to 0.

The following is a summary of the House Committee Substitute for HB 2284.

This bill permits sports wagering only by a licensed facility. A licensed facility may offer sports wagering in person at the licensed facility and over the Internet.

The rules adopted under this section must include the manner in which wagers are received, payouts are paid, and point spreads, lines, and odds are disclosed. The rules must establish standards to govern how a certificate holder offers sports wagering over the Internet and the manner a certificate holder's books and financial records related to sports wagering are maintained. The standards must also detect and prevent compulsive gambling.

The rules adopted under this standard requires a certificate holder to make commercially reasonable efforts by designating an area within the facility for sports wagering, ensure the security and integrity of sports wagering, ensure that the certificate holder's surveillance system covers all areas, allow the commission's gaming agents to be present, prevent people under the age of 21 to make sports wagers, provide written information about sports wagering, and post a sign in areas indicating the minimum and maximum amounts to be waged.

A licensed applicant who wants to offer sports wagering must submit an application to the commission and pay an initial application fee of \$25,000.

The commission must test new sports wagering devices and new forms that the commission considered appropriate prior to allowing a certificate holder to offer a new sports wagering device or new form. A certificate holder must designate an area within their facility for conducting sports wagering. A certificate holder may administer up to three individually branded interactive sports wagering platforms. Sports wagering may be conducted with negotiable currency. A certificate holder determines the minimum and maximum wagers in sports wagering.

An interactive sports wagering platform provider may offer sports wagering if the platform holds an interactive sports wagering platform license issued by the commission. An application for such

license must be submitted with a \$25,000 application fee. An annual renewal fee of \$50,000 is required. An interactive sports wagering platform may request a temporary license, which will require an application fee.

A certificate holder must verify that a person placing a wager is at least 21 years of age. The commission must adopt rules that require interactive sports wagering platforms to make reasonable efforts to not target minors, disclose the identity of the sports wagering certificate holder, provide resources relating to gambling addiction, and to not deceive a reasonable consumer.

The commission shall not grant a license until the commission determines that each person that has control of the applicant seeking a license meets all qualifications. The commission and certificate holders must cooperate with investigations conducted by sports governing bodies or law enforcement agencies. A certificate holder is required to report criminal activity and wagers that violate law.

Sports wagering operators may use any data source to determine the results of tier one sports wagers. A sports governing body headquartered in the United States may notify the commission that it desires sports wagering operators to use official league data to settle tier two sports wagers. Sports wagering operators must then use only official league data for tier two sports wagering within 60 days of the commission's notification of such a request from a sports governing body, with exceptions as specified in the bill.

A certificate holder is required to maintain records for a period of at least three years for bets and wagers that exceed \$10,000.

Any person, corporation, or employee who violates sections of this bill will be liable for civil penalty of \$5,000 for each violation, not to exceed \$50,000 for violations arising out of the same transaction. A person may also be guilty of a class E felony for specified violations.

Additionally, a wagering tax of 9% is imposed on the adjusted gross receipts received from sports wagering conducted by a certificate holder. The tax imposed must be deposited to the "Gaming Proceeds for Education Fund" and distributed.

All sports wagering shall be initiated and made on the property of an excursion gambling boat within this state. A raffle using tickets, a device, or a machine, where a person or persons buy(s) one or more chances from a finite number of draws for a prize are authorized activities.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that the bill allows sports wagering by casinos and allows online betting on phones. There will be geographic and age limits, and royalty fees for major leagues for integrity of the system. The wagering tax of 9% comes off adjusted gross. Official league data will be used. Money goes to schools. All states around us have this. Legal sports betting is here to stay and will be legal in all states soon. This bill will provide small businesses an additional revenue stream. The economic impact to Missouri is unknown.

Testifying for the bill were Representative Smith; the St. Louis Blues; and the St. Louis Cardinals.

OPPOSERS: Those who oppose the bill say that we are against requiring official league data. Fourteen out of 20 states that have sports wagering don't use league data.

Testifying against the bill were Todd George, Penn National Gaming and the Missouri Gaming Association.

OTHERS: Others testifying on the bill say we will need to monitor sports wagering and educate athletes as college athletes are more at risk of abuse in sports betting. We want a legal environment, with protections, fan access to league data, and to penalize bad actors. Missouri would be paying for the rights to the league data and it will be good data for gamblers to use.

Testifying on the bill were Andy Humes, University Of Missouri and the Kansas City Chiefs.