

SECOND REGULAR SESSION

SENATE BILL NO. 643

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOSKINS.

Pre-filed December 1, 2019, and ordered printed.

ADRIANE D. CROUSE, Secretary.

3833S.02I

AN ACT

To repeal sections 313.230 and 313.800, RSMo, and to enact in lieu thereof twenty-seven 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Section A. Sections 313.230 and 313.800, RSMo, are repealed and twenty-
2 seven new sections enacted in lieu thereof, to be known as sections 313.230,
3 313.360, 313.425, 313.427, 313.429, 313.431, 313.433, 313.434, 313.435, 313.437,
4 313.800, 313.1000, 313.1002, 313.1003, 313.1004, 313.1006, 313.1008, 313.1010,
5 313.1012, 313.1014, 313.1016, 313.1018, 313.1019, 313.1020, 313.1021, 313.1022,
6 and 313.1024, to read as follows:

313.230. The commission shall:

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

5 (a) The type of lottery to be conducted, [except no lottery may use any
6 coin- or token-operated amusement device and no lottery game shall be based in
7 any form on the outcome of sporting events. However, it shall be legal to]
8 **including the use of clerk- or player-activated terminals, which are coin- or**
9 **currency-operated, lottery games based on the outcome of a sporting**
10 **event, and to dispense lottery tickets. Lottery games based on the outcome**
11 **of a sporting event shall be limited to "parlay games", which term shall**
12 **mean a game in which two or more teams are involved in determining**
13 **the winning outcome of the game;**

14 (b) The price, or prices, of tickets or shares in the lottery;

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

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

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

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

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

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

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

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

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

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

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

12 (3) "Fraternal organization", any organization within this state

13 operating under the lodge system which exists for the common benefit,
14 brotherhood or other interest of its members, except college
15 fraternities and sororities, of which no part of the net earnings inures
16 to the benefit of any private shareholder or any individual member of
17 such organization, which has been exempted from the payment of
18 federal income tax, and which derives its charter from a national
19 fraternal organization which regularly meets;

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

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

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

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

48 (8) "Video lottery game handler", a person employed by a licensed
49 video lottery game operator and who is licensed by the commission to

50 handle, place, operate, and service video lottery game terminals and
51 associated equipment;

52 (9) "Video lottery game manufacturer" or "distributor", any
53 person licensed by the commission that manufactures video lottery
54 game terminals or major parts and components for video lottery game
55 terminals as approved by the lottery commission for sale to licensed
56 video lottery game operators, or a person licensed by the commission
57 to distribute or service video lottery game terminals or major parts and
58 components of video lottery game terminals including buying, selling,
59 leasing, renting, or financing new, used, or refurbished video lottery
60 game terminals to and from licensed video lottery game manufacturers
61 and licensed video lottery game operators;

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

66 (11) "Video lottery game retailer", a retail establishment meeting
67 the requirements of a lottery game retailer under section 313.260, that
68 secures and maintains a license to conduct video lottery games played
69 on a video lottery game terminal or terminals and that is a fraternal
70 organization, veterans organization, or truck stop; or any entity that
71 secures and maintains a license to conduct video lottery games played
72 on a video lottery game terminal or terminals and is licensed pursuant
73 to chapter 311 to sell liquor by the drink for on-premise consumption;

74 (12) "Video lottery game terminal", a player-activated terminal
75 that exchanges coins, currency, tickets, ticket vouchers or electronic
76 payment methods approved by the commission for credit on a video
77 lottery game terminal used to play video lottery games approved by the
78 commission. Such video lottery game terminals shall use a video
79 display and microprocessor capable of randomly generating the
80 outcome of video lottery games and be capable of printing and issuing
81 a ticket at the conclusion of any video lottery game play that may be
82 redeemed at a video lottery game ticket redemption terminal or may be
83 reinserted into a video lottery game terminal for video lottery game
84 credit and game plays. All video lottery games approved by the
85 commission for play on a video lottery game terminal shall have a
86 minimum theoretical payout of eighty-five percent;

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

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

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

313.429. 1. The commission shall implement a system of video
2 **lottery game terminals utilizing a licensing structure for processing**
3 **license applications and issuing licenses to video lottery game**
4 **manufacturers, video lottery game distributors, video lottery game**
5 **operators, video lottery game handlers, and video lottery game retailers**
6 **for the conduct of lottery games utilizing video lottery game terminals**
7 **within the state; except that, a person licensed as a:**

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

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

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

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

22 **2. Under no circumstances shall the commission:**

23 **(1) Authorize or allow a single vendor or licensee to implement**

24 the system of video lottery game terminals created under this section;
25 or

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

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

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

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

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

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

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

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

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

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

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

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

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

88 6. (1) Video lottery game terminals shall meet independent
89 testing standards approved by the commission, as tested by one or more
90 approved independent test labs, and be capable of randomly generating
91 the outcome of video lottery games approved by the commission. Video
92 lottery game terminals shall be capable of printing a ticket redeemable
93 for winning video lottery game plays. Such video lottery game
94 terminals shall be inspected and approved by the commission prior to
95 being sold, leased, or transferred.

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

98 licensed video lottery game distributors.

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

103 7. (1) Licensed video lottery game operators:

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

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

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

109 (d) Shall, notwithstanding the provisions of section 313.321 to the
110 contrary, pay all video lottery game winnings using a video lottery
111 game ticket redemption terminal. Such video lottery ticket redemption
112 terminal shall be located within the video lottery game retailer's
113 establishment in direct proximity of where such video lottery games
114 are offered. Video lottery game operators shall pay the commission
115 thirty-two percent of any unclaimed cash prize associated with a
116 winning ticket that has not been redeemed within one hundred eighty
117 days of issue.

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

121 (2) Licensed video lottery game operators and licensed video
122 lottery game retailers shall enter into a written agreement for the
123 placement of video lottery game terminals. The agreement shall be on
124 a form approved by the commission and shall specify an equal division
125 of adjusted gross receipts between the video lottery game operator and
126 the video lottery game retailer after adjustments for taxes and
127 administrative fees are made. A video lottery game operator shall be
128 responsible for remitting to the commission and the video lottery game
129 retailer its share of adjusted gross receipts. Nothing in this subdivision
130 shall prohibit a licensed video lottery game operator from entering into
131 an agreement with a sales agent for retailer agreements provided such
132 agreement is in writing and approved by the commission prior to
133 beginning sales activities and prior to the start date established
134 pursuant to section 313.431. Video lottery game operators and their

135 sales agents and affiliates and video lottery game retailers are
136 specifically prohibited from offering anything of value, other than the
137 percentage of adjusted gross receipts provided under this subsection,
138 or entering into an agreement with a retailer prior to the start date for
139 the initial or continued placement of video lottery game
140 terminals. Contract agreements entered into prior to the start date
141 established pursuant to section 313.431 between a prospective video
142 lottery game terminal operator or sales agent with a prospective video
143 lottery game retailer shall be invalid. Persons violating this
144 subdivision shall forfeit their right to a license to operate video lottery
145 game terminals for a period of one year.

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

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

160 8. No licensed video lottery game operator shall:

161 (1) Offer video lottery gaming terminals that directly dispense
162 anything of value except for tickets for winning plays. Tickets shall be
163 dispensed by pressing the ticket dispensing button on the video lottery
164 gaming terminal at the end of any video lottery game play. The ticket
165 shall indicate the total amount of video lottery game terminal credits
166 and the cash award, the time of day in a 24-hour format showing hours
167 and minutes, the date, the terminal serial number, the sequential
168 number of the ticket, and an encrypted validation number from which
169 the validity of the prize may be determined. The cost of the video
170 lottery game terminal credits shall be one cent, five cents, ten cents, or
171 twenty-five cents, and the maximum wager played per video lottery

172 game shall not exceed five dollars, with the payoff for a winning
173 maximum wager for a single game play being no more than one
174 thousand dollars;

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

179 (3) Operate more than five video lottery game terminals per
180 location on the premises of any business entity licensed as a video
181 lottery game retailer establishment with a license issued pursuant
182 chapter 311 to sell liquor by the drink for on-premise consumption;

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

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

195 9. (1) A person under twenty-one years of age shall not play
196 video lottery games, and such video lottery game terminals shall be
197 under the supervision of a person that is at least twenty-one years of
198 age to prevent persons under twenty-one years of age from playing
199 video lottery games. Video lottery game terminals shall be placed in a
200 fully enclosed room that is continually monitored by video surveillance
201 and where access to persons under twenty-one years of age is denied
202 by a procedure approved by the commission. A warning sign shall be
203 posted in a conspicuous location where such video lottery game
204 terminals are located, containing in red lettering at least one-half inch
205 high on a white background the following:

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

208 In addition to the placement and supervision requirements of this

209 subsection, a video lottery game operator shall provide video
210 surveillance in the immediate area of the video lottery game retailer's
211 establishment where video lottery game terminals are
212 located. Recorded video from such surveillance system shall be made
213 available to the commission upon request and shall be reviewed by
214 video lottery game operators as required by the commission for any
215 violation of law, rules or regulations governing the conduct of video
216 lottery games. A video lottery game operator that fails to review such
217 surveillance video and report any known violation of law, rules or
218 regulations governing the conduct of video lottery games in
219 conformance with established commission procedures may be subject
220 to an administrative fine not to exceed five thousand dollars. Any
221 video lottery game retailer that fails to report any known violation of
222 law, rules or regulations governing the conduct of video lottery games
223 in conformance with established commission procedures may be subject
224 to an administrative fine not to exceed five thousand dollars. In the
225 event a video lottery game operator or retailer is found to have
226 knowingly committed a violation governing the conduct of video lottery
227 games the commission may impose an administrative fine not to exceed
228 five thousand dollars, suspend such operator's or retailer's license for
229 up to thirty days, or in the case of repeated violations revoke such
230 operator's or retailer's license for a period of one year. Any video
231 lottery game operator or retailer aggrieved by the commission's
232 decision in any disciplinary action that results in the suspension or
233 revocation of such operator's or retailer's video lottery game license
234 may appeal such decision by filing an action in circuit court. The
235 commission shall refer a violation of the criminal code, with any
236 evidence thereof, to the appropriate law enforcement officials. Video
237 lottery game retailers shall provide an intrusion detection system
238 capable of detecting unauthorized entrance of the video lottery game
239 retailer's establishment during nonbusiness hours and shall report to
240 the commission any unauthorized entrance of the video lottery game
241 retailer's establishment. Such surveillance and intrusion detection
242 system shall meet specifications as defined by the commission.

243 (2) A video lottery game operator shall post a sign in a
244 conspicuous location where such video lottery game terminals are
245 located, containing in red lettering at least one-half inch high on a

246 white background a telephone contact number (1-888-BETSOFF) for the
247 problem gambling helpline.

248 10. (1) Video lottery game operators shall pay the commission
249 thirty-six percent of the video lottery game adjusted gross receipts,
250 which shall be deposited in the state lottery fund. The commission
251 shall transfer, subject to appropriation, the amount received from the
252 operator from the lottery fund to the lottery proceeds fund after
253 administrative expenses equal to four percent of the video lottery game
254 adjusted gross receipts are paid to the municipality where a licensed
255 video lottery game retailer maintains an establishment licensed for the
256 operation of video lottery game terminals, or if such licensed
257 establishment is not located within the corporate boundaries of a
258 municipality, then the county where such licensed establishment is
259 located to reimburse such municipality or county for administrative
260 expenses, and any administrative expenses for the commission that are
261 not covered by reimbursements from operators are deducted. Net
262 proceeds transferred to the lottery proceeds fund shall be appropriated
263 equally to public elementary and secondary education and public
264 institutions of higher education with an emphasis on funding
265 elementary and secondary education student transportation costs
266 pursuant to section 163.161, and public institutions of higher education
267 workforce development programs.

268 (2) Video lottery game operators shall retain the remainder of
269 the video lottery game adjusted gross receipts, a portion of which shall
270 be utilized to pay for administrative expenses which shall include the
271 cost of the centralized computer system, which cost shall be paid by
272 video lottery game operators in proportion to the number of video
273 lottery game terminals operated. Fifty percent of the costs of the
274 centralized computer system shall be apportioned by the video lottery
275 game operator among video lottery game retailers to which it provides
276 operations based on the number of video lottery game terminals located
277 at the video lottery game retailer's establishment. The remainder of
278 adjusted gross receipts retained by the video lottery game operator,
279 after the cost of the centralized computer system and administrative
280 costs are paid and apportioned, shall be divided equally between the
281 video lottery game operator and video lottery game retailer as agreed
282 under subdivision (2) of subsection 6 of this section.

283 11. All revenues received by the commission from license fees
284 and any reimbursements associated with the administration of the
285 provisions of sections 313.425 to 313.437, and all interest earned
286 thereon, shall be considered administrative expenses and shall be
287 deposited in the state lottery fund. Moneys deposited into the state
288 lottery fund from license fees and any reimbursements of commission
289 administrative expenses to administer sections 313.425 to 313.437 shall
290 be considered administrative expenses and shall not be considered net
291 proceeds pursuant to Article III, Section 39(b) of the Missouri
292 Constitution. Subject to appropriation, up to one percent of such
293 license fees shall be deposited to the credit of the compulsive gamblers
294 fund created under section 313.842. The remainder of the money
295 deposited in the state lottery fund from video lottery game license fees
296 and any reimbursements of commission administrative expenses to
297 enforce sections 313.425 to 313.437 shall, subject to appropriation, be
298 used for administrative expenses associated with supervising and
299 enforcing the provisions of sections 313.425 to 313.437.

300 12. The commission shall contract with a state law enforcement
301 entity to assist in conducting investigations into applicants for any
302 video lottery game license and to investigate violations by any retail
303 lottery game licensee of any of the provisions of sections 313.425 to
304 313.437 or state law regulating illegal gambling activities referred by
305 the commission. A video lottery game licensee suspected of a violation
306 shall be afforded an administrative hearing by the director on the
307 record and any action taken to impose a fine on such licensee, or to
308 suspend or revoke the ability of a licensee to offer lottery game
309 products for sale, shall be appealed to the commission. Any such
310 administrative suspension or revocation upheld by the commission may
311 be appealed by the video lottery game licensee in a state court of
312 competent jurisdiction.

313 13. The possession or use of any video gaming terminal, machine,
314 or device capable of simulating lottery games, games of chance, or
315 gambling games, whether or not there is an element of skill involved,
316 that uses a video display and microprocessor capable of randomly
317 generating the outcome of such games in the possession of any video
318 lottery game licensee that is not authorized by the commission, shall be
319 a violation of sections 313.425 to 313.437. The commission shall have

320 the power to investigate suspected violations by any lottery license
321 holder and to refer any violations or suspected violations to the
322 appropriate law enforcement authority. Any lottery vendor or licensee
323 that violates the provisions of this subsection shall be deemed guilty of
324 a class D felony and fined up to ten thousand dollars per occurrence,
325 and such fines shall be deposited in the compulsive gamblers fund
326 created under section 313.842. The commission shall suspend or revoke
327 the license of any lottery vendor or licensee that allows the use of any
328 video terminal, gambling machine, or device other than a video lottery
329 game terminal authorized pursuant to sections 313.425 to 313.437.

330 14. The commission shall adopt rules for the implementation of
331 the video lottery game system authorized under sections 313.425 to
332 313.437, including, but not limited to, the placement of video lottery
333 terminals within a retail establishment and for the active oversight of
334 the conduct of video lottery games. Any rule or portion of a rule, as
335 that term is defined in section 536.010, that is created under the
336 authority delegated in this section shall become effective only if it
337 complies with and is subject to all of the provisions of chapter 536 and,
338 if applicable, section 536.028. This section and chapter 536 are
339 nonseverable and if any of the powers vested with the general assembly
340 pursuant to chapter 536 to review, to delay the effective date, or to
341 disapprove and annul a rule are subsequently held unconstitutional,
342 then the grant of rulemaking authority and any rule proposed or
343 adopted after August 28, 2020, shall be invalid and void.

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

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

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

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

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

313.433. 1. Notwithstanding any other provision of law to the
2 **contrary, participation by a person, firm, corporation, or organization**
3 **in any aspect of the state lottery under sections 313.425 to 313.437 shall**
4 **not be construed to be a lottery or gift enterprise in violation of section**
5 **39 of article III of the Constitution of Missouri.**

6 **2. The sale of lottery tickets, shares, or lottery game plays using**
7 **a video lottery game terminal under sections 313.425 to 313.437 shall**
8 **not constitute a valid reason to refuse to issue or renew or to revoke or**
9 **suspend any license or permit issued under the provisions of chapter**
10 **311.**

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

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

313.435. A municipality may adopt an ordinance prohibiting
2 **video lottery game terminals within the corporate limits of such**
3 **municipality within one hundred eighty days from the effective date of**
4 **this act. A county commission may, for the unincorporated area of the**
5 **county, adopt an ordinance prohibiting video lottery game terminals**
6 **within the unincorporated area of the county within one hundred**
7 **eighty days from the effective date of this act. The commission shall**

8 not license video lottery game retailers within such area covered by
9 such ordinance. Any such municipality or county that has opted to
10 prohibit the use of video lottery game terminals to play video lottery
11 games may repeal such ordinance and upon such repeal the commission
12 may license video lottery game retailers within such municipality or
13 county to conduct video lottery games.

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

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

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

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

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

12 (4) "Capital, cultural, and special law enforcement purpose expenditures"
13 shall include any disbursement, including disbursements for principal, interest,
14 and costs of issuance and trustee administration related to any indebtedness, for
15 the acquisition of land, land improvements, buildings and building improvements,
16 vehicles, machinery, equipment, works of art, intersections, signing, signalization,
17 parking lot, bus stop, station, garage, terminal, hanger, shelter, dock, wharf, rest
18 area, river port, airport, light rail, railroad, other mass transit, pedestrian
19 shopping malls and plazas, parks, lawns, trees, and other landscape, convention
20 center, roads, traffic control devices, sidewalks, alleys, ramps, tunnels, overpasses
21 and underpasses, utilities, streetscape, lighting, trash receptacles, marquees,
22 paintings, murals, fountains, sculptures, water and sewer systems, dams,
23 drainage systems, creek bank restoration, any asset with a useful life greater
24 than one year, cultural events, and any expenditure related to a law enforcement
25 officer deployed as horse-mounted patrol, school resource or drug awareness
26 resistance education (D.A.R.E) officer;

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

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

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

40 (8) "Dock", the location in a city or county authorized under subsection 10
41 of section 313.812 which contains any natural or artificial space, inlet, hollow, or
42 basin, in or adjacent to a bank of the Mississippi or Missouri Rivers, next to a
43 wharf or landing devoted to the embarking of passengers on and disembarking
44 of passengers from a gambling excursion but shall not include any artificial space
45 created after May 20, 1994, and is located more than one thousand feet from the
46 closest edge of the main channel of the river as established by the United States
47 Army Corps of Engineers;

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

50 (10) "Fiscal year" shall for the purposes of [subsections 3 and 4 of] section
51 313.820 mean the fiscal year of a home dock city or county;

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

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

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

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

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

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

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

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

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

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

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

94 (1) Is it in the best interest of gaming to allow the game; and

95 (2) Is the gambling game a game of chance or a game of skill?

96 All testimony shall be given under oath or affirmation. Any citizen of this state
97 shall have the opportunity to testify on the merits of the petition. The
98 commission may subpoena witnesses to offer expert testimony. Upon conclusion

99 of the hearing, the commission shall evaluate the record of the hearing and issue
100 written findings of fact that shall be based exclusively on the evidence and on
101 matters officially noticed. The commission shall then render a written decision
102 on the merits which shall contain findings of fact, conclusions of law and a final
103 commission order. The final commission order shall be within thirty days of the
104 hearing. Copies of the final commission order shall be served on the petitioner
105 by certified or overnight express mail, postage prepaid, or by personal delivery.

313.1000. As used in sections 313.1000 to 313.1020, the following

2 terms shall mean:

3 (1) "Adjusted gross receipts":

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

6 (b) The total of:

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

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

12 c. Voided wagers; and

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

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

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

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

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

28 (4) "Commission", the Missouri gaming commission;

29 (5) "Department", the department of revenue;

30 (6) "Excursion gambling boat", the same meaning as defined

31 under section 313.800;

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

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

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

40 (10) "Licensed facility", an excursion gambling boat licensed
41 under this chapter;

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

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

45 (13) "Official league data", statistics, results, outcomes, and other
46 data relating to an athletic or sporting event obtained pursuant to an
47 agreement with the relevant sports governing body, or an entity
48 expressly authorized by the sports governing body to provide such
49 information to sports wagering operators, which authorizes the use of
50 such data for determining the outcome of tier two sports wagers;

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

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

58 (16) "Registered sports governing body", a sports governing body
59 that is headquartered in the United States and who has registered with
60 the commission under sections 313.1000 to 313.1024. The term shall not
61 include the National Collegiate Athletic Association;

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

65 (18) "Sports wagering", wagering conducted under sections
66 313.1000 to 313.1024 on athletic and sporting events involving human
67 competitors or on other events as approved by the commission. Sports

68 wagering shall not include money spent to participate in paid fantasy
69 sports under sections 313.900 to 313.955;

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

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

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

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

84 (23) "Tier two sports wager", a sports wager that is not a tier one
85 sports wager.

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

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

313.1003. 1. Sports wagering shall not be offered in this state
2 except by a licensed 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
6 to persons physically located in this state.

313.1004. 1. The commission shall adopt rules to implement the
2 provisions of sections 313.1000 to 313.1024. Any rule or portion of a
3 rule, as that term is defined in section 536.010, that is created under
4 the authority delegated in this section shall become effective only if it
5 complies with and is subject to all of the provisions of chapter 536 and,

6 if applicable, section 536.028. This section and chapter 536 are
7 nonseverable and if any of the powers vested with the general assembly
8 pursuant to chapter 536 to review, to delay the effective date, or to
9 disapprove and annul a rule are subsequently held unconstitutional,
10 then the grant of rulemaking authority and any rule proposed or
11 adopted after August 28, 2020, shall be invalid and void.

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

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

16 (a) Wagers are received;

17 (b) Payouts are paid; and

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

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

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

27 (4) Standards concerning the detection and prevention of
28 compulsive gambling.

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

31 (1) Designate an area within the licensed facility operated by the
32 certificate holder for sports wagering conducted under sections
33 313.1000 to 313.1024;

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

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

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

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

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

47 (c) Receive complaints from the public;

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

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

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

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

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

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

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

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

7 2. (1) A certificate holder shall designate an area or areas within
8 the certificate holder's licensed facility for conducting sports wagering.

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

13 **3. (1) Sports wagering may be conducted with chips, tokens,**
14 **electronic cards, or money or other negotiable currency.**

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

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

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

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

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

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

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

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

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

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

11 **3. Each year on or before the anniversary date of the payment of**
12 **the initial application fee under subsection 2 of this section, an**

13 interactive sports wagering platform provider holding a license issued
14 under this section shall pay to the commission an annual license
15 renewal fee of fifty thousand dollars. Such license renewal fees and the
16 initial application fee provided for under subdivision (2) of subsection
17 2 of this section shall be deposited in the gaming commission fund and
18 distributed according to section 313.835.

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

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

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

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

4 2. The commission shall adopt rules and regulations for a sports
5 wagering self-exclusion program consistent with those adopted under
6 sections 313.800 to 313.850. Any rule or portion of a rule, as that term
7 is defined in section 536.010, that is created under the authority
8 delegated in this section shall become effective only if it complies with
9 and is subject to all of the provisions of chapter 536 and, if applicable,
10 section 536.028. This section and chapter 536 are nonseverable and if
11 any of the powers vested with the general assembly pursuant to chapter
12 536 to review, to delay the effective date, or to disapprove and annul a
13 rule are subsequently held unconstitutional, then the grant of
14 rulemaking authority and any rule proposed or adopted after August
15 28, 2020, shall be invalid and void.

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

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

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

21 (3) Provide information about or links to resources relating to

22 **gambling addiction; and**

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

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

7 **2. (1) A certificate holder shall employ commercially reasonable**
8 **methods to:**

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

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

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

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

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

24 **3. (1) A sports governing body may notify the commission that**
25 **it desires to restrict, limit, or exclude sports wagers on its sporting**
26 **events by providing notice in the form and manner as the commission**
27 **may require, including, without limitation, restrictions on the sources**
28 **of data and associated video upon which an operator may rely in**
29 **offering and paying wagers and the bet types that may be**
30 **offered. Upon receiving such notice, the commission shall only deny a**
31 **request if it deems such request arbitrary and capricious. If the**
32 **commission denies a request, the sports governing body shall be**
33 **afforded notice and the right to be heard and offer proof in opposition**
34 **to such determination in accordance with the regulations of the**

35 **commission. Offering or taking wagers contrary to restrictions**
36 **promulgated by the commission is a violation of this section. Except in**
37 **relation to an emergency situation as provided in subdivision (2) of this**
38 **subsection, the provisions of this subsection shall not apply to tier one**
39 **sports wagers on non-exhibition games or events of professional sports**
40 **organizations or the National Collegiate Athletics Association. For the**
41 **purposes of this subsection, "professional sports organization" shall**
42 **include, but shall not be limited to, the National Football League, Major**
43 **League Baseball, the National Basketball Association, the National**
44 **Hockey League, Major League Soccer, and the Professional Golfers**
45 **Association. Such term shall not include minor league baseball or any**
46 **other developmental league, whether or not such league is affiliated**
47 **with a professional sports organization.**

48 **(2) In the event that a request is submitted in relation to an**
49 **emergency situation, the executive director of the commission may**
50 **temporarily grant the request of the sports governing body until the**
51 **commission makes a final determination as to whether such request is**
52 **arbitrary and capricious.**

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

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

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

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

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

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

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

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

71 **7. (1) Except as provided in subsection 8 of this section,**

72 certificate holders may use any data source to determine the results of
73 sports wagers, provided the data is not obtained directly or indirectly
74 from live event attendees who collect the data in violation of the terms
75 of admittance to an event or through automated computer programs
76 that compile data from the internet in violation of the terms of service
77 of the relevant website or other internet platform.

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

82 8. A sports governing body may notify the commission that it
83 desires to supply official league data to certificate holders for
84 determining the results of tier two sports wagers. Such notification
85 shall be made in the form and manner as the commission may
86 require. Within thirty days of such notification by a sports governing
87 body, certificate holders shall use only official league data to determine
88 the results of tier two wagers, unless the certificate holder can
89 demonstrate to the commission that the sports governing body or its
90 designee cannot provide a feed of official league data to the certificate
91 holder on commercially reasonable terms.

313.1016. 1. A certificate holder, for bets and wagers that exceed
2 ten thousand dollars in a twenty-four-hour period and that were placed
3 in person by a patron, shall maintain the following records for a period
4 of at least three years after the sporting event 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
9 betting window where the bet was placed;
- 10 (5) The outcome of the bet; and
- 11 (6) Any discernable pattern of abnormal betting activity by the
12 patron.

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

- 17 (1) Personally identifiable information of the bettor;

- 18 **(2) The amount and type of bet placed;**
19 **(3) The time and date the bet was placed;**
20 **(4) The location, including specific information pertaining to the**
21 **internet protocol address, where the bet was placed;**
22 **(5) The outcome of the bet; and**
23 **(6) Any discernable pattern of abnormal betting activity by the**
24 **patron.**

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

28 **4. If a sports governing body has notified the commission that**
29 **real-time information sharing for wagers placed on its sporting events**
30 **is necessary and desirable, sports wagering operators shall share in**
31 **real time, at the account level, and in pseudonymous form, the**
32 **information required to be retained under subsections 1 and 2 of this**
33 **section, other than video files, with the sports governing body or its**
34 **designee with respect to wagers on its sporting events. Such**
35 **information may be used by a sports governing body solely for integrity**
36 **purposes.**

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

6 **2. A certificate holder is not liable under the laws of this state**
7 **to any party, including patrons, for disclosing information as required**
8 **under sections 313.1000 to 313.1024, and is not liable for refusing to**
9 **disclose information unless required under sections 313.1000 to**
10 **313.1024.**

11 **3. Any person, firm, corporation, association, agent, or employee**
12 **who knowingly violates any procedure implemented under sections**
13 **313.1000 to 313.1024 shall be liable for a civil penalty of not more than**
14 **five thousand dollars for each violation, not to exceed fifty thousand**
15 **dollars for violations arising out of the same transaction or occurrence,**
16 **which shall accrue to the state and may be recovered in a civil action**
17 **brought by the commission. Any licensee who violates any provision**
18 **under sections 313.1000 to 313.1024 shall be subject to the actions and**

19 penalties provided under subdivision (6) of section 313.805, excluding
20 any financial penalties in excess of those provided under this
21 subsection.

22 4. (1) Any person, firm, corporation, association, agent, or
23 employee who:

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

26 (b) Knowingly engages in, facilitates, or conceals conduct that
27 intends to improperly influence a betting outcome of a sporting event
28 for purposes of financial gain, in connection with betting or wagering
29 on a sporting event,
30 shall be guilty of a class E felony.

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

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

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

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

17 4. No later than April thirtieth of each year, a registered sports
18 governing body may submit a request for disbursement of funds
19 remitted by certificate holders in the previous calendar year. The

20 commission shall disburse the funds to the registered sports governing
21 body in pro rata proportion of the total amount wagered on its sporting
22 events. No registered sports governing body shall be required to obtain
23 a license from the commission in order to lawfully accept the funds
24 provided for in this subsection.

25 5. The commission shall annually publish a report stating the
26 amount received from certificate holders in royalty fees and the
27 amount paid to registered sports governing bodies.

28 6. Any unclaimed royalty fees shall be distributed to the
29 certificate holders that timely remitted the royalties required under
30 this section to the commission. Such royalties shall be distributed to
31 the eligible certificate holders on a pro rata basis.

32 7. The commission shall cooperate with a registered sports
33 governing body and certificate holders to ensure the timely, efficient,
34 and accurate sharing of information and the remittance of the royalty
35 fee to the registered sports governing body or its designee.

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

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

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

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

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

15 (2) The royalty fees collected under subdivision (2) of subsection
16 1 of this section shall be distributed evenly among the public
17 universities in this state that sponsor National Collegiate Athletic
18 Association Division I basketball teams.

19 3. The royalty fees received by public universities under this
20 section shall be used solely for athletics compliance.

313.1021. 1. A wagering tax of nine percent is imposed on the

2 adjusted gross receipts received from sports wagering conducted by a
3 certificate holder under sections 313.1000 to 313.1024. If a third party
4 is contracted with to conduct sports wagering at a certificate holder's
5 licensed facility, the third party contractor shall fulfill the certificate
6 holder's duties under this section.

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

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

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

20 5. (1) A certificate holder shall pay to the commission an annual
21 administrative fee of fifty thousand dollars. The fee imposed shall be
22 due one year after the date on which the certificate holder commences
23 sports wagering operations under sections 313.1000 to 313.1024, and on
24 each annual anniversary date thereafter. The commission shall deposit
25 the administrative fees received under this subsection in the gaming
26 commission fund and shall distribute such fees according to section
27 313.835.

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

 313.1022. All sports wagers authorized under sections 313.1000
2 to 313.1024 shall be deemed initiated, received, and otherwise made on

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

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

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

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

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

16 (5) The commission shall promulgate rules to implement the
17 provisions of this subsection. Any rule or portion of a rule, as that
18 term is defined in section 536.010, that is created under the authority
19 delegated in this section shall become effective only if it complies with
20 and is subject to all of the provisions of chapter 536 and, if applicable,
21 section 536.028. This section and chapter 536 are nonseverable and if
22 any of the powers vested with the general assembly pursuant to chapter
23 536 to review, to delay the effective date, or to disapprove and annul a
24 rule are subsequently held unconstitutional, then the grant of
25 rulemaking authority and any rule proposed or adopted after August
26 28, 2020, shall be invalid and void.

27 2. A sports wagering operator, sports governing body,
28 professional sports franchise, or higher education institution shall not
29 discharge, demote, suspend, threaten, harass, or in any other manner
30 discriminate against an employee because of any lawful act performed

31 by the employee to provide information, cause information to be
32 provided, or otherwise assist in an investigation regarding any conduct
33 which the employee reasonably believes constitutes a violation of the
34 provisions of sections 313.1000 to 313.1024.

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

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

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

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

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

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

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

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