

SECOND REGULAR SESSION

HOUSE BILL NO. 2535

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE PLOCHER.

6481H.04I

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 313.800 and 313.822, RSMo, and to enact in lieu thereof nine new sections relating to sports wagering protection, with penalty provisions.

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

Section A. Sections 313.800 and 313.822, RSMo, are repealed and nine new sections enacted in lieu thereof, to be known as sections 313.800, 313.822, 313.855, 313.860, 313.865, 313.870, 313.875, 313.880, and 313.885, to read as follows:

313.800. 1. As used in sections 313.800 to ~~313.850~~ **313.885**, unless the context clearly requires otherwise, the following terms mean:

(1) "Adjusted gross receipts", the gross receipts from licensed gambling games and devices less winnings paid to wagerers;

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

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

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

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.

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

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

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

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

33 (8) "Dock", the location in a city or county authorized under subsection 10 of section
34 313.812 which contains any natural or artificial space, inlet, hollow, or basin, in or adjacent to
35 a bank of the Mississippi or Missouri Rivers, next to a wharf or landing devoted to the
36 embarking of passengers on and disembarking of passengers from a gambling excursion but shall
37 not include any artificial space created after May 20, 1994, and is located more than one
38 thousand feet from the closest edge of the main channel of the river as established by the United
39 States Army Corps of Engineers;

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

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

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

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

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

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

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

59 (16) **"Gaming facility", an excursion gambling boat;**

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

61 ~~[(17)]~~ (18) "Holder of occupational license", a person licensed by the commission to
62 perform an occupation within excursion gambling boat operations which the commission has
63 identified as requiring a license;

64 (19) **"Interactive sports wagering platform" or "platform", a person or entity that**
65 **offers sports wagering over the internet, including on websites and mobile devices, on**
66 **behalf of a gaming facility;**

67 ~~[(18)]~~ (20) "Licensee", any person licensed under sections 313.800 to 313.850;

68 ~~[(19)]~~ (21) "Mississippi River" and "Missouri River", the water, bed and banks of those
69 rivers, including any space filled by the water of those rivers for docking purposes in a manner
70 approved by the commission but shall not include any artificial space created after May 20, 1994,
71 and is located more than one thousand feet from the closest edge of the main channel of the river
72 as established by the United States Army Corps of Engineers;

73 ~~[(20)]~~ (22) **"Sports governing body", the organization that prescribes final rules**
74 **and enforces codes of conduct with respect to a sporting event and participants therein;**

75 (23) **"Sports wagering", the acceptance of wagers on sporting events or portions**
76 **of sporting events, or on the individual performance statistics of athletes in a sporting event**
77 **or combination of sporting events, by any system or method of wagering including, but not**
78 **limited to, in-person or over the internet through websites and on mobile devices. "Sports**
79 **wagering" shall include, but shall not be limited to, single-game bets, teaser bets, parlays,**
80 **over-under, moneyline, pools, exchange wagering, in-game wagering, in-play bets,**
81 **proposition bets, and straight bets. Sports wagering shall not include moneys spent to**
82 **participate in paid fantasy sports under sections 313.900 to 313.955;**

83 (24) **"Sports wagering operator" or "operator", a gaming facility that offers sports**
84 **wagering or an interactive sports wagering platform that offers sports wagering on behalf**
85 **of a gaming facility;**

86 **(25)** "Supplier", a person who sells or leases gambling equipment and gambling supplies
87 to any licensee;

88 **(26)** "Wager" or "bet", the staking or risking by a person of something of value
89 upon an agreement or understanding that the person will receive something of value in the
90 event of a certain outcome. "Wager" or "bet" shall not include:

91 **(a)** Any activity governed by the securities laws of the United States or this state;

92 **(b)** Any contract of indemnity or guarantee;

93 **(c)** Any contract for insurance; or

94 **(d)** Participation in any game or contest in which the participants do not stake or
95 risk anything of value other than personal efforts of the participants in playing the game
96 or contest or obtaining access to the internet, or points or credits that the sponsor of the
97 game or contest provides to participants free of charge and that can be used or redeemed
98 only for participation in games or contests offered by the sponsor.

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

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

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

111

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

313.822. 1. A tax is imposed on the adjusted gross receipts received from gambling games authorized pursuant to sections 313.800 to 313.850, **except the adjusted gross receipts received from sports wagering**, at the rate of twenty-one percent. The taxes imposed by this section shall be returned to the commission in accordance with the commission's rules and regulations who shall transfer such taxes to the director of revenue. All checks and drafts remitted for payment of these taxes and fees shall be made payable to the director of revenue. If the commission is not satisfied with the return or payment made by any licensee, it is hereby authorized and empowered to make an assessment of the amount due based upon any information within its possession or that shall come into its possession. Any licensee against whom an assessment is made by the commission may petition for a reassessment. The request for reassessment shall be made within twenty days from the date the assessment was mailed or delivered to the licensee, whichever is earlier. Whereupon the commission shall give notice of a hearing for reassessment and fix the date upon which the hearing shall be held. The assessment shall become final if a request for reassessment is not received by the commission within the twenty days. Except as provided in this section, on and after April 29, 1993, all functions incident to the administration, collection, enforcement, and operation of the tax imposed by sections 144.010 to 144.525 shall be applicable to the taxes and fees imposed by this section.

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

(2) The remaining amount of the adjusted gross receipts tax shall be deposited in the state treasury to the credit of the "Gaming Proceeds for Education Fund" which is hereby created in the state treasury. Moneys deposited in this fund shall be kept separate from the general revenue fund as well as any other funds or accounts in the state treasury, shall be used solely for education pursuant to the Missouri Constitution and shall be considered the proceeds of excursion boat gambling and state funds pursuant to Article IV, Section 15 of the Missouri

37 Constitution. All interest received on the gaming proceeds for education fund shall be credited
38 to the gaming proceeds for education fund. Appropriation of the moneys deposited into the
39 gaming proceeds for education fund shall be pursuant to state law.

40 (3) The state auditor shall perform an annual audit of the gaming proceeds for education
41 fund, which shall include the evaluation of whether appropriations for elementary and secondary
42 education have increased and are being used as intended. The state auditor shall make copies
43 of each audit available to the public and to the general assembly.

44 **2. A tax is imposed on the adjusted gross receipts from sports wagering authorized**
45 **under sections 313.800 to 313.885 at the rate of twelve percent. All taxes collected under**
46 **this subsection shall be deposited in the state treasury to the credit of the gaming proceeds**
47 **for education fund created in subdivision (2) of subsection 1 of this section.**

313.855. 1. Sports wagering shall not be offered in this state except by a gaming
2 **facility under sections 313.800 to 313.885.**

3 **2. Gaming facilities may offer sports wagering:**

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

5 **(2) Over the internet via an interactive sports wagering platform to persons**
6 **physically located in this state; provided that, any such person making a wager over the**
7 **internet shall be required to activate an account in person at the gaming facility to enable**
8 **such wager.**

9 **3. (1) A gaming facility may contract with interactive sports wagering platforms**
10 **licensed under this section to administer sports wagering over the internet on its behalf**
11 **only if it holds a platform license issued by the commission.**

12 **(2) Applicants for interactive sports wagering platform licenses shall:**

13 **(a) Submit an application to the commission in the manner prescribed by the**
14 **commission to verify the platform's eligibility under sections 313.855 to 313.885; and**

15 **(b) Pay an initial application fee of ten thousand dollars.**

16 **(3) (a) Each year on or before the anniversary date of the payment of the initial**
17 **application fee made under subdivision (2) of this subsection a licensed platform shall pay**
18 **to the commission an annual license renewal fee of five thousand dollars.**

19 **(b) All license fees imposed under this subdivision and subdivision (2) of this**
20 **subsection shall be deposited in the gaming commission fund and distributed according to**
21 **section 313.835.**

22 **(4) Notwithstanding any provision of law to the contrary, a platform license**
23 **application and all documents, reports, and data submitted by an interactive sports**
24 **wagering platform to the commission containing proprietary information, trade secrets,**
25 **financial information, or personal information about any person shall be treated by the**

26 commission as closed records and shall not to be disclosed to the public unless required by
27 court order or any other provision of sections 313.855 to 313.885.

28 (5) An interactive sports wagering platform may enter into agreements to offer
29 sports wagering on behalf of one or more gaming facilities without limitation. Such
30 agreements shall not be prerequisites to obtaining an interactive sports wagering platform
31 license.

32 (6) An interactive sports wagering platform shall only be licensed if the company
33 is registered to do business in Missouri and has its principal place of business in the United
34 States.

313.860. 1. Sports wagering operators shall take commercially reasonable steps to
2 verify that a person placing a wager is twenty-one years of age or older.

3 2. Sports wagering operators shall allow individuals to restrict themselves from
4 placing wagers with the operator, including wager limits, and shall take reasonable steps
5 to prevent such individuals from placing such wagers, including upon request of such
6 individual to share the request with the commission for the sole purpose of disseminating
7 the request to other sports wagering operators.

8 3. The commission shall promulgate rules to ensure that an operator's
9 advertisements for sports wagering:

10 (1) Do not target minors or other persons who are ineligible to place wagers,
11 problem gamblers, or other vulnerable persons, which may include limitations on the form,
12 content, quantity, timing, and location of advertisements;

13 (2) Disclose the identity of the sports wagering operator;

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

16 (4) Are not false, misleading, or deceptive to a reasonable consumer.
17

18 Any rule or portion of a rule, as that term is defined in section 536.010 that is created
19 under the authority 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, section 536.028.
21 This section and chapter 536 are nonseverable, and if any of the powers vested with the
22 general assembly pursuant to chapter 536, to review, to delay the effective date, or to
23 disapprove and annul a rule are subsequently held unconstitutional, then the grant of
24 rulemaking authority and any rule proposed or adopted after August 28, 2018, shall be
25 invalid and void.

313.865. 1. Sports wagering operators shall conduct background checks on newly
2 hired employees, and annual background checks on all existing employees. Background

3 checks shall search for criminal history and any charges or convictions involving
4 corruption or manipulation of sporting events and association with organized crime.

5 **2. Sports wagering operators shall employ commercially reasonable methods to:**

6 **(1) Prohibit the operator, directors, officers, owners, and employees of the operator,**
7 **and any relative living in the same household as such persons, from placing bets with the**
8 **operator;**

9 **(2) Prohibit athletes, coaches, referees, team owners, employees of a sports**
10 **governing body or its member teams, and player and referee union personnel from**
11 **wagering on any sporting event overseen by their sport's governing body. In determining**
12 **which persons are excluded from placing wagers under this subsection, operators shall use**
13 **publicly available information and any lists of such persons that the sports governing body**
14 **may provide to the commission;**

15 **(3) Prohibit any individual with access to nonpublic, confidential information held**
16 **by the operator from placing wagers with the operator;**

17 **(4) Prohibit persons from placing wagers as agents or proxies for others; and**

18 **(5) Maintain the security of wagering data, customer data, and other confidential**
19 **information from unauthorized access and dissemination; provided, however, that nothing**
20 **in sections 313.855 to 313.885 shall preclude the use of internet or cloud-based hosting of**
21 **such data and information or disclosure as required by court order or any other provision**
22 **of law.**

23 **3. A sports governing body may notify the commission that it desires to restrict,**
24 **limit, or exclude wagering on its sporting events by providing notice in the form and**
25 **manner as the commission may require including, but not limited to, restrictions on the**
26 **sources of data and associated video upon which an operator may rely in offering and**
27 **paying wagers and the bet types that may be offered. Upon receiving such notice, the**
28 **commission shall publish such wagering restrictions. Offering or taking wagers contrary**
29 **to such published restrictions shall be a violation of the provisions of sections 313.855 to**
30 **313.885.**

31 **4. The commission shall designate a state law enforcement entity to have primary**
32 **responsibility for conducting, or assisting the commission in conducting, investigations into**
33 **abnormal betting activity, match fixing, and other conduct that corrupts a betting outcome**
34 **of a sporting event or events for purposes of financial gain.**

35 **5. The commission and sports wagering operators shall cooperate with**
36 **investigations conducted by sports governing bodies or law enforcement agencies**
37 **including, but not limited to, providing or facilitating the provision of account-level betting**
38 **information and audio or video files relating to persons placing wagers.**

39 **6. Sports wagering operators shall immediately report to the commission any**
40 **information relating to:**

41 **(1) Criminal or disciplinary proceedings commenced against the sports wagering**
42 **operator in connection with its operations;**

43 **(2) Abnormal betting activity or patterns that may indicate a concern with the**
44 **integrity of a sporting event or events;**

45 **(3) Any potential breach of the relevant sports governing body's internal rules and**
46 **codes of conduct pertaining to sports wagering;**

47 **(4) Any other conduct that corrupts a betting outcome of a sporting event or events**
48 **for purposes of financial gain, including match fixing; and**

49 **(5) Suspicious or illegal wagering activities, including use of funds derived from**
50 **illegal activity, wagers to conceal or launder funds derived from illegal activity, using**
51 **agents to place wagers, and using false identification.**

52

53 **Sports wagering operators shall also immediately report information relating to conduct**
54 **described in subdivisions (2), (3), and (4) of this subsection to the relevant sports governing**
55 **body.**

56 **7. Sports wagering operators shall maintain the confidentiality of information**
57 **provided by a sports governing body to the sports wagering operator, unless disclosure is**
58 **required by the commission, court order, or any other provision of law.**

59 **8. Sports wagering operators shall use in all sports wagering only statistics, results,**
60 **outcomes, and other data relating to a sporting event that have been obtained from the**
61 **relevant sports governing body or an entity expressly authorized by the sports governing**
62 **body to provide such information to sports wagering operators.**

63 **9. In no event shall any sports wagering operator sell any customer data that has**
64 **been obtained.**

313.870. 1. Sports wagering operators shall maintain records of all bets and wagers
2 **placed, including personally identifiable information of the bettor, amount and type of bet,**
3 **time the bet was placed, location of the bet, including internet protocol (IP) address if**
4 **applicable, the outcome of the bet, records of abnormal betting activity, and video camera**
5 **recordings in the case of in-person wagers for at least three years after the sporting event**
6 **occurs and make such data available for inspection upon request of the commission, or as**
7 **required by court order.**

8 **2. If a sports governing body has notified the commission that real-time**
9 **information sharing for wagers placed on its sporting events is necessary and desirable,**
10 **sports wagering operators shall share in real time and in anonymized form the information**

11 required to be retained under subsection 1 of this section, excluding video files, with the
12 sports governing body or its designee with respect to wagers on its sporting events.

13 3. At least once per calendar quarter, a sports wagering operator shall remit to the
14 relevant sports governing body a sports betting right and integrity fee of one percent of the
15 gross amount wagered on its sporting events during the previous calendar quarter.

16 4. The commission shall cooperate with a sports governing body and operators to
17 ensure the timely, efficient, and accurate sharing of information and the remittance of the
18 sports betting right and integrity fee to the sports governing body or its designee.

313.875. Any person, firm, corporation, association, agent, or employee, except a
2 sports wagering operator, who knowingly violates any procedure implemented under
3 sections 313.855 to 313.885 shall be liable for a civil penalty of not more than five thousand
4 dollars for each violation, not to exceed fifty thousand dollars for violations arising out of
5 the same transaction or occurrence, which shall accrue to the state and may be recovered
6 in a civil action brought by the commission. Any sports wagering operator who violates
7 any provision under sections 313.855 to 313.885 shall be subject to the actions and penalties
8 provided under subdivision (6) of section 313.805.

313.880. 1. Any person, firm, corporation, association, agent, or employee who:
2 (1) Places, or causes to be placed, a bet or wager on the basis of material nonpublic
3 information relating to that bet or wager; or
4 (2) Knowingly engages in, facilitates, or conceals conduct that intends to
5 improperly influence a betting outcome of a sporting event for purposes of financial gain,
6 in connection with betting or wagering on a sporting event,
7
8 shall be guilty of a class E felony.

9 2. A bet or wager shall be "on the basis of material nonpublic information" if the
10 person placing the bet or wager, or causing it to be placed, was aware of the material
11 nonpublic information when such person placed the bet or wager or caused it to be placed.

12 3. Any person or gaming facility in violation of subdivision (2) of subsection 1 of
13 this section shall be liable to the relevant sports governing body, which sports governing
14 body may sue either at law or in equity in any court of competent jurisdiction.

313.885. Sports wagering shall not be offered in this state under sections 313.855
2 to 313.885 until the commission determines that federal law does not prohibit such sports
3 wagering.

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