

AN ACT

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

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
AS FOLLOWS:

Section A. Section 313.800, RSMo, is repealed and eight new sections enacted in lieu thereof, to be known as sections 313.800, 313.855, 313.860, 313.865, 313.870, 313.875, 313.880, and 313.885, to read as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 313.885, 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, streetscape, lighting, trash receptacles, marquees, paintings, murals, fountains, sculptures, water and sewer systems, dams, drainage systems, creek bank restoration, any asset with a useful life greater than one year, cultural events, and any expenditure related to a law enforcement officer deployed as horse-mounted patrol, school resource or drug awareness resistance education (D.A.R.E) officer;

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

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

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

(8) "Dock", the location in a city or county authorized

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

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

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

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

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

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

(14) "Games of chance", any gambling game in which the player's expected return is not favorably increased by his or her

reason, foresight, dexterity, sagacity, design, information or strategy;

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

(16) "Gaming facility", a licensee offering gaming on an excursion gambling boat under sections 313.800 to 313.850;

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

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

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

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

[(19)] (21) "Mississippi River" and "Missouri River", the water, bed and banks of those rivers, including any space filled by the water of those rivers for docking purposes in a manner approved by the commission but shall not include any artificial

space created after May 20, 1994, and is located more than one thousand feet from the closest edge of the main channel of the river as established by the United States Army Corps of Engineers;

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

(23) "Sports wagering", the acceptance of wagers on sporting events or portions of sporting events, or on the individual performance statistics of athletes in a sporting event or combination of sporting events, by any system or method of wagering, including but not limited to in-person, or over the internet through websites and on mobile devices. "Sports wagering" shall include, but shall not be limited to, single-game bets, teaser bets, parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-play bets, proposition bets, and straight bets;

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

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

2. In addition to the games of skill defined in this section, the commission may approve other games of skill upon receiving a petition requesting approval of a gambling game from any applicant or licensee. The commission may set the matter for hearing by serving the applicant or licensee with written notice

of the time and place of the hearing not less than five days prior to the date of the hearing and posting a public notice at each commission office. The commission shall require the applicant or licensee to pay the cost of placing a notice in a newspaper of general circulation in the applicant's or licensee's home dock city or county. The burden of proof that the gambling game is a game of skill is at all times on the petitioner. The petitioner shall have the affirmative responsibility of establishing his or her case by a preponderance of evidence including:

- (1) Is it in the best interest of gaming to allow the game; and
- (2) Is the gambling game a game of chance or a game of skill?

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

delivery;

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

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

(b) Any contract of indemnity or guarantee;

(c) Any contract for insurance; or

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

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

2. Gaming facilities may offer sports wagering:

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

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

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

(2) Applicants for interactive sports wagering platform

licenses shall:

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

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

(3) (a) Each year on or before the anniversary date of the payment of the initial application fee made under subdivision (2) of this subsection, if such platform license has been issued, a platform shall pay to the commission an annual license renewal fee of five thousand dollars.

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

(4) Notwithstanding any provision of law to the contrary, a platform license application and all documents, reports, and data submitted by an interactive sports wagering platform to the commission containing proprietary information, trade secrets, financial information, or personal information about any person shall be treated by the commission as closed records and shall not to be disclosed to the public unless required by court order or any other provision of sections 313.855 to 313.885.

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

313.860. 1. Sports wagering operators shall verify that a

person placing a wager is of the legal minimum age under section 313.817 for placing such a wager.

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

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

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

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

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

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

Any rule or portion of a rule, as that term is defined in section 536.010 that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, to review, to delay the

effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2018, shall be invalid and void.

313.865. 1. Sports wagering operators shall conduct background checks on newly hired employees, and annual background checks on all existing employees. Background checks shall search for criminal history, and any charges or convictions involving corruption or manipulation of sporting events and association with organized crime.

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

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

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

(3) Prohibit any individual with access to non-public confidential information held by the operator from placing wagers with the operator;

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

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

3. A sports governing body may notify the commission that it desires to restrict, limit, or exclude wagering on its sporting events by providing notice in the form and manner as the commission may require, including, without limitation, restrictions on the sources of data and associated video upon which an operator may rely in offering and paying wagers and the bet types that may be offered. Upon receiving such notice, the commission shall publish such wagering restrictions. Offering or taking wagers contrary to such published restrictions shall be a violation of the provisions of sections 313.855 to 313.885.

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

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

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

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

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

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

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

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

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

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

8. Sports wagering operators shall use in all sports wagering only statistics, results, outcomes, and other data

relating to a sporting event that have been obtained from the relevant sports governing body or an entity expressly authorized by the sports governing body to provide such information to sports wagering operators.

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

2. If a sports governing body has notified the commission that real-time information sharing for wagers placed on its sporting events is necessary and desirable, sports wagering operators shall share in real time the information required to be retained under subsection 1 of this section, excluding video files, with the sports governing body or its designee with respect to wagers on its sporting events.

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

4. The commission shall cooperate with a sports governing body and operators to ensure the timely, efficient, and accurate

sharing of information and the remittance of the sports betting right and integrity fee to the sports governing body or its designee.

313.875. Any person, firm, corporation, association, agent, or employee who knowingly violates any procedure implemented under sections 313.855 to 313.885 shall be liable for a civil penalty of not more than five thousand dollars for each violation, not to exceed fifty thousand dollars for violations arising out of the same transaction or occurrence, which shall accrue to the state and may be recovered in a civil action brought by the commission.

313.880. 1. Any person, firm, corporation, association, agent, or employee who:

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

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

shall be fined not more than five million dollars or imprisoned for not more than ten years, or both.

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

3. Any person or gaming facility in violation of subdivision (2) of subsection 1 of this section shall be liable to the relevant sports governing body, which sports governing 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 to 313.885 until the commission determines that federal law does not prohibit such sports wagering.