#### SECOND EXTRAORDINARY SESSION

# **HOUSE BILL NO. 4**

## 92ND GENERAL ASSEMBLY

#### INTRODUCED BY REPRESENTATIVE GRAHAM.

Read 1st time September 8, 2003, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

2334L.01I

### **AN ACT**

To repeal sections 313.805, 313.820, 313.822, and 313.835, RSMo, and to enact in lieu thereof four new sections relating to gaming, with an emergency clause.

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

Section A. Sections 313.805, 313.820, 313.822, and 313.835, RSMo, are repealed and

- 2 four new sections enacted in lieu thereof, to be known as sections 313.805, 313.820, 313.822,
- 3 and 313.835, to read as follows:
  - 313.805. The commission shall have full jurisdiction over and shall supervise all
- 2 gambling operations governed by sections 313.800 to 313.850. The commission shall have the
- 3 following powers and shall promulgate rules and regulations to implement sections 313.800 to
- 4 313.850:

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- (1) To investigate applicants and determine the priority and eligibility of applicants for a license and to select among competing applicants for a license the applicant which best serves
- 7 the interests of the citizens of Missouri;
- 8 (2) To license the operators of excursion gambling boats and operators of gambling
- 9 games within such boats, to identify occupations within the excursion gambling boat operations 10 which require licensing, and adopt standards for licensing the occupations including establishing
- 11 fees for the occupational licenses and to license suppliers;
- 12 (3) To adopt standards under which all excursion gambling boat operations shall be held
- 13 and standards for the facilities within which the gambling operations are to be held.
- 14 Notwithstanding the provisions of chapter 311, RSMo, to the contrary, the commission may
- 15 authorize the operation of gambling games on an excursion gambling boat which is also licensed

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to sell or serve alcoholic beverages, wine, or beer[. The commission shall regulate the wagering structure for gambling excursions including providing a maximum loss of five hundred dollars per individual player per gambling excursion];

- (4) To enter the premises of excursion gambling boats, facilities, or other places of business of a licensee within this state to determine compliance with sections 313.800 to 313.850;
- 22 (5) To investigate alleged violations of sections 313.800 to 313.850 or the commission rules, orders, or final decisions;
  - (6) To assess any appropriate administrative penalty against a licensee, including, but not limited to, suspension, revocation, and penalties of an amount as determined by the commission up to three times the highest daily amount of gross receipts derived from wagering on the gambling games, whether unauthorized or authorized, conducted during the previous twelve months as well as confiscation and forfeiture of all gambling game equipment used in the conduct of unauthorized gambling games. Forfeitures pursuant to this section shall be enforced as provided in sections 513.600 to 513.645, RSMo;
  - (7) To require a licensee, an employee of a licensee or holder of an occupational license to remove a person violating a provision of sections 313.800 to 313.850 or the commission rules, orders, or final orders, or other person deemed to be undesirable from the excursion gambling boat or adjacent facilities;
  - (8) To require the removal from the premises of a licensee, an employee of a licensee, or a holder of an occupational license for a violation of sections 313.800 to 313.850 or a commission rule or engaging in a fraudulent practice;
  - (9) To require all licensees to file all financial reports required by rules and regulations of the commission;
  - (10) To issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records, and other pertinent documents, and to administer oaths and affirmations to the witnesses, when, in the judgment of the commission, it is necessary to enforce sections 313.800 to 313.850 or the commission rules;
- 44 (11) To keep accurate and complete records of its proceedings and to certify the records 45 as may be appropriate;
- 46 (12) To ensure that the gambling games are conducted fairly. No gambling device shall 47 be set to pay out less than eighty percent of all wagers;
- 48 (13) To require all licensees of gambling game operations to use a cashless wagering 49 system whereby all players' money is converted to physical or electronic tokens, electronic cards, 50 or chips which only can be used for wagering on the excursion gambling boat;
  - (14) To require excursion gambling boat licensees to develop a system, approved by the

commission, that allows patrons the option to prohibit the excursion gambling boat licensee from using identifying information for marketing purposes. The provisions of this subdivision shall apply only to patrons giving identifying information for the first time. Such system shall be submitted to the commission by October 1, 2000, and approved by the commission by January 1, 2001. The excursion gambling boat licensee shall use identifying information obtained from patrons who have elected to have marketing blocked under the provisions of this section only for the purposes of enforcing the requirements contained in sections 313.800 to 313.850. This section shall not prohibit the commission from accessing identifying information for the purposes of enforcing section 313.004 and sections 313.800 to 313.850;

- (15) To determine which of the authorized gambling games will be permitted on any licensed excursion gambling boat;
- (16) Excursion gambling boats shall cruise, unless the commission finds that the best interest of Missouri and the safety of the public indicate the need for continuous docking of the excursion gambling boat in any city or county authorized pursuant to subsection 10 of section 313.812. The commission shall base its decision to allow continuously docked excursion gambling boats on any of the following criteria: the docking location or the excursion cruise could cause danger to the boat's passengers, violate federal law or the law of another state, or cause disruption of interstate commerce or possible interference with railway or barge transportation. In addition, the commission shall consider economic feasibility or impact that would benefit land-based development and permanent job creation. The commission shall not discriminate among applicants for continuous-docking excursion gambling that are similarly situated with respect to the criteria set forth in this section;
- (17) The commission shall render a finding concerning the possibility of continuous docking, as described in subdivision (15) of this section, within thirty days after a hearing on any request from an applicant or licensee. Such hearing may be held prior to any final action on licensing to assist an applicant and any city or county in the finalizing of their economic development plan;
- (18) To require any applicant for a license or renewal of a license to operate an excursion gambling boat to provide an affirmative action plan which has as its goal the use of best efforts to achieve maximum employment of African-Americans and other minorities and maximum participation in the procurement of contractual purchases of goods and services. This provision shall be administered in accordance with all federal and state employment laws, including Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991. At license renewal, the licensee will report on the effectiveness of the plan. The commission shall include the licensee's reported information in its annual report to the joint committee on gaming and wagering;

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88 (19) To take any other action as may be reasonable or appropriate to enforce sections 313.800 to 313.850 and the commission rules.

313.820. 1. An excursion boat licensee shall pay to the commission an admission fee of two dollars for each person embarking on an excursion gambling boat with a ticket of 2 admission. One dollar of such fee shall be deposited to the credit of the gaming commission fund as authorized pursuant to section 313.835, and one dollar of such fee shall not be considered state funds and shall be paid to the home dock city or county. Subject to appropriation, one cent 5 of such fee deposited to the credit of the gaming commission fund may be [deposited] transferred to [the credit of] the compulsive gamblers fund created pursuant to the provisions of section 313.842. Beginning on the effective date of this section, excursion gambling boat licensees shall pay to the commission an additional admission fee of two dollars for each 10 person embarking on an excursion gambling boat with a ticket of admission which shall be deposited in the state treasury to the credit of the gaming commission fund. Nothing in 11 this section shall preclude any licensee from charging any amount deemed necessary for a ticket 12 13 of admission to any person embarking on an excursion gambling boat. If tickets are issued which are good for more than one excursion, the admission fee shall be paid to the commission for each 15 person using the ticket on each excursion that the ticket is used. If free passes or complimentary 16 admission tickets are issued, the excursion boat licensee shall pay to the commission the same fee upon these passes or complimentary tickets as if they were sold at the regular and usual 17 18 admission rate; however, the excursion boat licensee may issue fee-free passes to actual and necessary officials and employees of the licensee or other persons actually working on the 20 excursion gambling boat. The issuance of fee-free passes is subject to the rules of the 21 commission, and a list of all persons to whom the fee-free passes are issued shall be filed with 22 the commission.

2. All licensees are subject to all income taxes, sales taxes, earnings taxes, use taxes, property taxes or any other tax or fee now or hereafter lawfully levied by any political subdivision; however, no other license tax, permit tax, occupation tax, excursion fee, or taxes or fees shall be imposed, levied or assessed exclusively upon licensees by a political subdivision. All state taxes not connected directly to gambling games shall be collected by the department of revenue. Notwithstanding the provisions of section 32.057, RSMo, to the contrary, the department of revenue may furnish and the commission may receive tax information to determine if applicants or licensees are complying with the tax laws of this state; however, any tax information acquired by the commission shall not become public record and shall be used exclusively for commission business.

313.822. A tax is imposed on the adjusted gross receipts received from gambling games authorized pursuant to sections 313.800 to 313.850 at the rate of [twenty] **twenty-two** percent.

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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 11 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 13 assessment shall become final if a request for reassessment is not received by the commission 14 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 15 16 imposed by sections 144.010 to 144.525, RSMo, shall be applicable to the taxes and fees 17 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] **two** 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] **Twenty percent** 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 considered the proceeds of excursion boat gambling and state funds pursuant to article IV, section 15 of the Missouri Constitution. All interest received on the gaming proceeds for education fund shall be credited to the gaming proceeds for education fund. Appropriation of the moneys deposited into the gaming proceeds for education fund shall be pursuant to state law.

313.835. 1. All revenue received by the commission from license fees, [penalties,]

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administrative fees, reimbursement by any excursion gambling boat operators for services provided by the commission and admission fees authorized pursuant to the provisions of sections 313.800 to 313.850, except that portion of the admission fee, not to exceed one cent, that may be appropriated to the compulsive gamblers fund as provided in section 313.820, shall be 5 deposited in the state treasury to the credit of the "Gaming Commission Fund" which is hereby created for the sole purpose of funding the administrative costs of the commission, subject to appropriation. Moneys deposited into this fund shall not be considered proceeds of gambling operations. Moneys deposited into the gaming commission fund shall be considered state funds 10 pursuant to article IV, section 15 of the Missouri Constitution. All interest received on the gaming commission fund shall be credited to the gaming commission fund. In each fiscal year, total revenues to the gaming commission fund [for the preceding fiscal year shall be compared 12 13 to total expenditures and transfers from the gaming commission fund for the preceding fiscal year.] shall be distributed in the following manner. The revenue derived by the state from 15 the additional two dollar admission fee contained in section 313.820 shall be transferred to the state school moneys fund to fund state aid to public school pursuant to section 16 163.031, RSMo. After payment of the administrative costs of the commission and any 17 transfers to the compulsive gamblers fund pursuant to section 313.820, the remaining net 18 19 proceeds in the gaming commission fund shall be distributed in the following manner: 20

- (1) The first five hundred thousand dollars shall be appropriated on a per capita basis to cities and counties that match the state portion and have demonstrated a need for funding community neighborhood organization programs for the homeless and to deter gang-related violence and crimes;
- (2) The remaining net proceeds in the gaming commission fund for fiscal year 1998 and prior years shall be transferred to the "Veterans' Commission Capital Improvement Trust Fund", as hereby created in the state treasury. The state treasurer shall administer the veterans' commission capital improvement trust fund, and the moneys in such fund shall be used solely, upon appropriation, by the Missouri veterans' commission for:
- (a) The construction, maintenance or renovation or equipment needs of veterans' homes in this state;
- (b) The construction, maintenance, renovation, equipment needs and operation of veterans' cemeteries in this state;
- (c) Fund transfers to Missouri veterans' homes fund established pursuant to the provisions of section 42.121, RSMo, as necessary to maintain solvency of the fund;
- (d) Fund transfers to any municipality with a population greater than four hundred thousand and located in part of a county with a population greater than six hundred thousand in this state which has established a fund for the sole purpose of the restoration, renovation and

maintenance of a memorial or museum or both dedicated to World War I. Appropriations from the veterans' commission capital improvement trust fund to such memorial fund shall be provided only as a one-time match for other funds devoted to the project and shall not exceed five million dollars. Additional appropriations not to exceed ten million dollars total may be made from the veterans' commission capital improvement trust fund as a match to other funds for the new construction or renovation of other facilities dedicated as veterans' memorials in the state. All appropriations for renovation, new construction, reconstruction, and maintenance of veterans' memorials shall be made only for applications received by the Missouri veterans' commission prior to July 1, 2004;

- (e) The issuance of matching fund grants for veterans' service officer programs to any federally chartered veterans' organization or municipal government agency that is certified by the Veterans Administration to process veteran claims within the Veterans Administration System; provided that such veterans' organization has maintained a veterans' service officer presence within the state of Missouri for the three-year period immediately preceding the issuance of any such grant. A total of seven hundred fifty thousand dollars in grants shall be made available annually with grants being issued in July of each year. Application for the matching grants shall be made through and approved by the Missouri veterans' commission based on the requirements established by the commission;
- (f) For payment of Missouri national guard and Missouri veterans' commission expenses associated with providing medals, medallions and certificates in recognition of service in the armed forces of the United States during World War II and the Korean Conflict pursuant to sections 42.170 to 42.206, RSMo. Any funds remaining from the medals, medallions and certificates shall not be transferred to any other fund and shall only be utilized for the awarding of future medals, medallions, and certificates in recognition of service in the armed forces; and
- (g) Fund transfers totaling ten million dollars to any municipality with a population greater than three hundred fifty thousand inhabitants and located in part in a county with a population greater than six hundred thousand inhabitants and with a charter form of government, for the sole purpose of the construction, restoration, renovation and maintenance of a memorial or museum or both dedicated to World War I.

Any interest which accrues to the fund shall remain in the fund and shall be used in the same manner as moneys which are transferred to the fund pursuant to this section. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, moneys in the veterans' commission capital improvement trust fund at the end of any biennium shall not be transferred to the credit of the general revenue fund;

(3) The remaining net proceeds in the gaming commission fund for fiscal year 1999 and

74 each fiscal year thereafter shall be distributed as follows:

- (a) The first four and one-half million dollar portion shall be transferred to the Missouri college guarantee fund, established pursuant to the provisions of sections 173.810 to 173.830, RSMo, and additional moneys as annually appropriated by the general assembly shall be appropriated to such fund;
- (b) The second three million dollar portion shall be transferred to the veterans' commission capital improvement trust fund;
- (c) The third three million dollar portion shall be transferred to the Missouri national guard trust fund created in section 41.214, RSMo;
- (d) Subject to appropriations, one hundred percent of remaining net proceeds in the gaming commission fund except as provided in paragraph (l) of this subdivision, and after the appropriations made pursuant to the provisions of paragraphs (a), (b), and (c) of this subdivision, shall be transferred to the "Early Childhood Development, Education and Care Fund" which is hereby created to give parents meaningful choices and assistance in choosing the child-care and education arrangements that are appropriate for their family. All interest received on the fund shall be credited to the fund. Notwithstanding the provisions of section 33.080, RSMo, moneys in the fund at the end of any biennium shall not be transferred to the credit of the general revenue fund. Any moneys deposited in such fund shall be used to support programs that prepare children prior to the age in which they are eligible to enroll in kindergarten, pursuant to section 160.053, RSMo, to enter school ready to learn. All moneys deposited in the early childhood development, education and care fund shall be annually appropriated for voluntary, early childhood development, education and care programs serving children in every region of the state not yet enrolled in kindergarten;
- (e) No less than sixty percent of moneys deposited in the early childhood development, education and care fund shall be appropriated as provided in this paragraph to the department of elementary and secondary education and to the department of social services to provide early childhood development, education and care programs through competitive grants to, or contracts with, governmental or private agencies. Eighty percent of such moneys pursuant to the provisions of this paragraph and additional moneys as appropriated by the general assembly shall be appropriated to the department of elementary and secondary education and twenty percent of such moneys pursuant to the provisions of this paragraph shall be appropriated to the department of social services. The departments shall provide public notice and information about the grant process to potential applicants.
  - a. Grants or contracts may be provided for:
  - (i) Start-up funds for necessary materials, supplies, equipment and facilities; and
- (ii) Ongoing costs associated with the implementation of a sliding parental fee schedule

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- b. Grant and contract applications shall, at a minimum, include:
- 112 (i) A funding plan which demonstrates funding from a variety of sources including 113 parental fees;
- (ii) A child development, education and care plan that is appropriate to meet the needs of children;
  - (iii) The identity of any partner agencies or contractual service providers;
- (iv) Documentation of community input into program development;
  - (v) Demonstration of financial and programmatic accountability on an annual basis;
- (vi) Commitment to state licensure within one year of the initial grant, if funding comes from the appropriation to the department of elementary and secondary education and commitment to compliance with the requirements of the department of social services, if funding comes from the department of social services; and
  - (vii) With respect to applications by public schools, the establishment of a parent advisory committee within each public school program;
  - c. In awarding grants and contracts pursuant to this paragraph, the departments may give preference to programs which:
    - (i) Are new or expanding programs which increase capacity;
  - (ii) Target geographic areas of high need, namely where the ratio of program slots to children under the age of six in the area is less than the same ratio statewide;
    - (iii) Are programs designed for special needs children;
- (iv) Are programs that offer services during nontraditional hours and weekends; or
  - (v) Are programs that serve a high concentration of low-income families;
  - d. Beginning on August 28, 1998, the department of elementary and secondary education and the department of social services shall initiate and conduct a four-year study to evaluate the impact of early childhood development, education and care in this state. The study shall consist of an evaluation of children eligible for moneys pursuant to this paragraph, including an evaluation of the early childhood development, education and care of those children participating in such program and those not participating in the program over a four-year period. At the conclusion of the study, the department of elementary and secondary education and the department of social services shall, within ninety days of conclusion of the study, submit a report to the general assembly and the governor, with an analysis of the study required pursuant to this subparagraph, all data collected, findings, and other information relevant to early childhood development, education and care;
  - (f) No less than ten percent of moneys deposited in the early childhood development, education and care fund shall be appropriated to the department of social services to provide

early childhood development, education and care programs through child development, education and care certificates to families whose income does not exceed one hundred eighty-five percent of the federal poverty level in the manner pursuant to 42 U.S.C. 9858c(c)(2)(A) and 42 U.S.C. 9858n(2) for the purpose of funding early childhood development, education and care programs as approved by the department of social services. At a minimum, the certificate shall be of a value per child which is commensurate with the per child payment under item (ii) of subparagraph a. of paragraph (e) of this subdivision pertaining to the grants or contracts. On February first of each year the department shall certify the total amount of child development, education and care certificates applied for and the unused balance of the funds shall be released to be used for supplementing the competitive grants and contracts program authorized pursuant to paragraph (e) of this subdivision;

- (g) No less than ten percent of moneys deposited in the early childhood development, education and care fund shall be appropriated to the department of social services to increase reimbursements to child-care facilities for low-income children that are accredited by a recognized, early childhood accrediting organization;
- (h) No less than ten percent of the funds deposited in the early childhood development, education and care fund shall be appropriated to the department of social services to provide assistance to eligible parents whose family income does not exceed one hundred eighty-five percent of the federal poverty level who wish to care for their children under three years of age in the home, to enable such parent to take advantage of early childhood development, education and care programs for such parent's child or children. At a minimum, the certificate shall be of a value per child which is commensurate with the per child payment under item (ii) of subparagraph a. of paragraph (e) of this subdivision pertaining to the grants or contracts. The department of social services shall provide assistance to these parents in the effective use of early childhood development, education and care tools and methods;
- (i) In setting the value of parental certificates under paragraph (f) of this subdivision and payments under paragraph (h) of this subdivision, the department of social services may increase the value based on the following:
- a. The adult caretaker of the children successfully participates in the parents as teachers program pursuant to the provisions of sections 178.691 to 178.699, RSMo, a training program provided by the department on early childhood development, education and care, the home-based Head Start program as defined in 42 U.S.C. 9832 or a similar program approved by the department;
- b. The adult caretaker consents to and clears a child abuse or neglect screening pursuant to subdivision (1) of subsection 2 of section 210.152, RSMo; and
  - c. The degree of economic need of the family;

(j) The department of elementary and secondary education and the department of social services each shall by rule promulgated pursuant to chapter 536, RSMo, establish guidelines for the implementation of the early childhood development, education and care programs as provided in paragraphs (e) through (i) of this subdivision;

- (k) Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is promulgated under the authority delegated in paragraph (j) of this subdivision shall become effective only if the agency has fully complied with all of the requirements of chapter 536, RSMo, including but not limited to, section 536.028, RSMo, if applicable, after August 28, 1998. All rulemaking authority delegated prior to August 28, 1998, is of no force and effect and repealed as of August 28, 1998, however, nothing in this section shall be interpreted to repeal or affect the validity of any rule adopted or promulgated prior to August 28, 1998. If the provisions of section 536.028, RSMo, apply, the provisions of this section are nonseverable and if any of the powers vested with the general assembly pursuant to section 536.028, RSMo, to review, to delay the effective date, or to disapprove and annul a rule or portion of a rule are held unconstitutional or invalid, the purported grant of rulemaking authority and any rule so proposed and contained in the order of rulemaking shall be invalid and void, except that nothing in this act shall affect the validity of any rule adopted and promulgated prior to August 28, 1998;
- (l) When the remaining net proceeds, as such term is used pursuant to paragraph (d) of this subdivision, in the gaming commission fund annually exceeds twenty-eight million dollars: one-half million dollars of such proceeds shall be transferred annually, subject to appropriation, to the Missouri college guarantee fund, established pursuant to the provisions of section 173.830, RSMo; three million dollars of such proceeds shall be transferred annually, subject to appropriation, to the veterans' commission capital improvement trust fund; and one million dollars of such proceeds shall be transferred annually, subject to appropriation, to the Missouri national guard trust fund created in section 41.214, RSMo.
- 2. Upon request by the veterans' commission, the general assembly may appropriate moneys from the veterans' commission capital improvements trust fund to the Missouri national guard trust fund to support the activities described in section 41.958, RSMo.

Section B. Because immediate action is necessary to provide additional funding, section A of this act is deemed necessary for the immediate preservation of the public health, welfare, peace, and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and section A of this act shall be in full force and effect upon its passage and approval.