

SECOND REGULAR SESSION

# HOUSE BILL NO. 1091

## 92ND GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES WOOD (Sponsor), STEVENSON, PEARCE, BAKER, PHILLIPS, LEMBKE, MOORE, RICHARD, SCHNEIDER, DIXON, EMERY, WASSON, WALLACE, RUESTMAN, CUNNINGHAM (145), BOUGH, MORRIS, DAVIS (19), MYERS, TAYLOR, BIVINS, CRAWFORD, GOODMAN, JETTON, SANDER, KUESSNER AND WRIGHT (Co-sponsors).

Read 1<sup>st</sup> time January 14, 2004, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

3763L.01I

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### AN ACT

To repeal section 313.812, RSMo, and to enact in lieu thereof one new section relating to local approval for licensing of excursion gambling boats.

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

Section A. Section 313.812, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 313.812, to read as follows:

313.812. 1. The commission may issue licenses pursuant to subsection 1 of section 313.807 when it is satisfied that the applicant has complied with all rules and regulations, including an update of all information provided to the commission in the licensee's initial application. The commission shall decide the number, location and type of excursion gambling boat in a city or county under subsection 10 of this section. The license shall set forth the name of the licensee, the type of license granted, the place where the excursion gambling boat will operate and dock, including the docking of an excursion gambling boat which is continuously docked, and other information the commission deems appropriate. The commission shall have the ultimate responsibility of deciding the number, location, and type of excursion gambling boats licensed in a city or county; however, any city or county which has complied with the provisions of subsection 10 of this section shall submit to the commission a plan outlining the following:

(1) The recommended number of licensed excursion gambling boats operating in such city or county;

**EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law. Matter in boldface type in the above law is proposed language.**

- 15           (2) The recommended licensee or licensees operating in such city or county;
- 16           (3) The community's economic development or impact and affirmative action plan
- 17 concerning minorities' and women's ownership, contracting and employment for the waterfront
- 18 development;
- 19           (4) The city or county proposed sharing of revenue with any other municipality;
- 20           (5) Any other information such city or county deems necessary; and
- 21           (6) Any other information the commission may determine is necessary.
- 22 The commission shall provide for due dates for receiving such plan from the city or county.
- 23           2. A license to operate an excursion gambling boat shall only be granted to an applicant
- 24 upon the express conditions that:
- 25           (1) The applicant shall not, by a lease, contract, understanding, or arrangement of any
- 26 kind, grant, assign, or turn over to a person the operation of an excursion gambling boat licensed
- 27 under this section or of the system of wagering described in section 313.817. This section does
- 28 not prohibit a management contract with a person licensed by the commission; and
- 29           (2) The applicant shall not in any manner permit a person other than the licensee and the
- 30 management licensee to have a share, percentage, or proportion of the money received for
- 31 admissions to the excursion gambling boat.
- 32           3. The commission shall require, as a condition of granting a license, that an applicant
- 33 operate an excursion gambling boat which, as nearly as practicable, resembles or is a part of
- 34 Missouri's or the home dock city's or county's riverboat history.
- 35           4. The commission shall encourage through its rules and regulations the use of Missouri
- 36 resources, goods and services in the operation of any excursion gambling boat.
- 37           5. The excursion gambling boat shall provide for nongaming areas, food service and a
- 38 Missouri theme gift shop. The amount of space used for gaming shall be determined in
- 39 accordance with all rules and regulations of the commission and the United States Coast Guard
- 40 safety regulations.
- 41           6. A license to operate gambling games or to operate an excursion gambling boat shall
- 42 not be granted unless the applicant has, through clear and convincing evidence, demonstrated
- 43 financial responsibility sufficient to meet adequately the requirements of the proposed enterprise.
- 44           7. Each applicant shall establish by clear and convincing evidence its fitness to be
- 45 licensed. Without limitation, the commission may deny a license based solely on the fact that
- 46 there is evidence that any of the following apply:
- 47           (1) The applicant has been suspended from operating an excursion gambling boat or a
- 48 game of chance or gambling operation in another jurisdiction by a board or commission of that
- 49 jurisdiction;
- 50           (2) The applicant is not the true owner of the enterprise proposed;

51           (3) The applicant is not the sole owner, and other persons have ownership in the  
52 enterprise, which fact has not been disclosed;

53           (4) The applicant is a corporation that is not publicly traded and ten percent or more of  
54 the stock of the corporation is subject to a contract or option to purchase at any time during the  
55 period for which the license is to be issued unless the contract or option was disclosed to the  
56 commission and the commission approved the sale or transfer during the period of the license;

57           (5) The applicant has knowingly made a false statement of a material fact to the  
58 commission; or

59           (6) The applicant has failed to meet a valid, bona fide monetary obligation in connection  
60 with an excursion gambling boat.

61           8. A license shall not be granted if the applicant has not established his good repute and  
62 moral character or if the applicant has pled guilty to, or has been convicted of, a felony. No  
63 licensee shall employ or contract with any person who has pled guilty to, or has been convicted  
64 of, a felony to perform any duties directly connected with the licensee's privileges under a license  
65 granted pursuant to this section, except that employees performing nongaming related  
66 occupations as determined by the commission shall be exempt from the requirements of this  
67 subsection.

68           9. A licensee shall not lend to any person money or any other thing of value for the  
69 purpose of permitting that person to wager on any gambling game authorized by law. This does  
70 not prohibit credit card or debit card transactions or cashing of checks. Any check cashed must  
71 be deposited within twenty-four hours. The commission may require licensees to verify a  
72 sufficient account balance exists before cashing any check. Any licensee who violates the  
73 provisions of this subsection shall be subject to an administrative penalty of five thousand dollars  
74 for each violation. Such administrative penalties shall be assessed and collected by the  
75 commission.

76           10. Gambling excursions including the operation of gambling games on an excursion  
77 gambling boat which is not continuously docked shall be allowed only on the Mississippi River  
78 and the Missouri River. No license to conduct gambling games on an excursion gambling boat  
79 in a city or county shall be issued unless and until the qualified voters of the city or county  
80 approve such activities pursuant to this subsection **and subsection 11 of this section**. The  
81 question shall be submitted to the qualified voters of the city or county at a general, primary or  
82 special election upon the motion of the governing body of the city or county or upon the petition  
83 of fifteen percent of the qualified voters of the city or county determined on the basis of the  
84 number of votes cast for governor in the city or county at the last election held prior to the filing  
85 of the petition. The question shall be submitted in substantially the following form:

86           Shall the City (County) of ..... allow the licensing of excursion gambling boats

87 or floating facilities as now or hereafter provided by Missouri gaming law in the city (county)?

88 ☐ YES

☐ NO

89

90 If a majority of the votes cast on the question by the qualified voters voting thereon are in favor  
91 of the question, then the commission may license excursion gambling boats in that city or county  
92 and such boats may operate on the Mississippi River and the Missouri River, **provided that if**  
93 **the election is held in a city, then the qualified voters of the county must also approve the**  
94 **licensing of an excursion gambling boat located in a city of the county pursuant to**  
95 **subsection 11 of this section.** If a majority of the votes cast on the question by the qualified  
96 voters voting thereon are opposed to the question, then the commission shall not license such  
97 excursion gambling boats in such city or county unless and until the question is again submitted  
98 to and approved by a majority of the qualified voters of the city or county at a later election.

99

100 Excursion gambling boats may only dock in a city or unincorporated area of a county which  
101 approves licensing of such excursion gambling boats pursuant to this subsection **and subsection**  
102 **11 of this section**, but gambling operations may be conducted at any point on the Mississippi  
103 River or the Missouri River during an excursion. Those cities and counties which have approved  
104 by election pursuant to this subsection, except those cities or counties which have subsequently  
105 rejected by election, the licensing of any type of excursion gambling boats in the city or county  
106 prior to April 6, 1994, are exempt from any local election requirement of this section as such  
107 previous election shall have the same effect as if held after May 20, 1994.

108 **11. If an excursion gambling boat is to be located in a city, and the qualified voters**  
109 **of the city approve of the licensing of excursion gambling boats pursuant to subsection 10**  
110 **of this section, then the question shall be submitted to the qualified voters of the county at**  
111 **a general, primary or special election. The question shall be submitted in substantially the**  
112 **following form:**

113 **Shall the County of ..... allow the licensing of excursion gambling boats or**  
114 **floating facilities as now or hereafter provided by Missouri gaming law in the city**  
115 **of.....?**

116 ☐ YES

☐ NO

117

118 **If a majority of the votes cast on the question by the qualified voters of the county voting**  
119 **thereon are in favor of the question, then the commission may license excursion gambling**  
120 **boats in that city and such boats may operate on the Mississippi River and the Missouri**  
121 **River. If a majority of the votes cast on the question by the qualified voters of the county**  
122 **voting thereon are opposed to the question, then the commission shall not license such**

123 **excursion gambling boats in such city unless and until the question is again submitted to**  
124 **and approved by a majority of the qualified voters of the county at a later election. The**  
125 **provisions of this subsection shall not apply to any city that has approved by election,**  
126 **except those cities which have subsequently rejected by election, the licensing of any type**  
127 **of excursion gambling boats in the city where a license has been granted to an entity to**  
128 **operate gambling games on an excursion gambling boat in the city prior to August 28,**  
129 **2004.**

130 **12.** If a docking fee is charged by a city or a county, a licensee operating an excursion  
131 gambling boat shall pay the docking fee prior to the start of the excursion season.

132 **[12.] 13.** Any licensee shall not be delinquent in the payment of property taxes or other  
133 taxes or fees or in the payment of any other contractual obligation or debt due or owed to the  
134 state or a political subdivision of the state.

135 **[13.] 14.** An excursion gambling boat licensed by the state shall meet all of the  
136 requirements of chapter 306, RSMo, and is subject to an inspection of its sanitary facilities to  
137 protect the environment and water quality by the commission or its designee before a license to  
138 operate an excursion gambling boat is issued by the commission. Licensed excursion gambling  
139 boats shall also be subject to such inspections during the period of the license as may be deemed  
140 necessary by the commission. The cost of such inspections shall be paid by the licensee.

141 **[14.] 15.** A holder of any license shall be subject to imposition of penalties, suspension  
142 or revocation of such license, or if the person is an applicant for licensure, the denial of the  
143 application, for any act or failure to act by himself or his agents or employees, that is injurious  
144 to the public health, safety, morals, good order and general welfare of the people of the state of  
145 Missouri, or that would discredit or tend to discredit the Missouri gaming industry or the state  
146 of Missouri unless the licensee proves by clear and convincing evidence that it is not guilty of  
147 such action. The commission shall take appropriate action against any licensee who violates the  
148 law or the rules and regulations of the commission. Without limiting other provisions of this  
149 subsection, the following acts or omissions may be grounds for such discipline:

150 (1) Failing to comply with or make provision for compliance with sections 313.800 to  
151 313.850, the rules and regulations of the commission or any federal, state or local law or  
152 regulation;

153 (2) Failing to comply with any rule, order or ruling of the commission or its agents  
154 pertaining to gaming;

155 (3) Receiving goods or services from a person or business entity who does not hold a  
156 supplier's license but who is required to hold such license by the provisions of sections 313.800  
157 to 313.850 or the rules and regulations of the commission;

158 (4) Being suspended or ruled ineligible or having a license revoked or suspended in any

159 state of gaming jurisdiction;

160 (5) Associating with, either socially or in business affairs, or employing persons of  
161 notorious or unsavory reputation or who have extensive police records, or who have failed to  
162 cooperate with any officially constituted investigatory or administrative body and would  
163 adversely affect public confidence and trust in gaming;

164 (6) Employing in any gambling games' operation or any excursion gambling boat  
165 operation, any person known to have been found guilty of cheating or using any improper device  
166 in connection with any gambling game;

167 (7) Use of fraud, deception, misrepresentation or bribery in securing any permit or  
168 license issued pursuant to sections 313.800 to 313.850;

169 (8) Obtaining or attempting to obtain any fee, charge, or other compensation by fraud,  
170 deception, or misrepresentation;

171 (9) Incompetence, misconduct, gross negligence, fraud, misrepresentation or dishonesty  
172 in the performance of the functions or duties regulated by sections 313.800 to 313.850.