

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 560
93RD GENERAL ASSEMBLY

Reported from the Committee on Rules April 6, 2005 with recommendation that House Committee Substitute for House Bill No. 560
Do Pass.

STEPHEN S. DAVIS, Chief Clerk

0644L.05C

AN ACT

To repeal section 313.812, RSMo, and to enact in lieu thereof one new section relating to limiting the number of excursion gambling boat licenses issued by the gaming commission.

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Section A. Section 313.812, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 313.812, to read as follows: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. **Except as provided in subsection 15 of this section** 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 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.

- 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

23 The commission shall provide for due dates for receiving such plan from the city or county.

24 2. A license to operate an excursion gambling boat shall only be granted to an applicant
25 upon the express conditions that:

26 (1) The applicant shall not, by a lease, contract, understanding, or arrangement of any
27 kind, grant, assign, or turn over to a person the operation of an excursion gambling boat licensed
28 under this section or of the system of wagering described in section 313.817. This section does
29 not prohibit a management contract with a person licensed by the commission; and

30 (2) The applicant shall not in any manner permit a person other than the licensee and the
31 management licensee to have a share, percentage, or proportion of the money received for
32 admissions to the excursion gambling boat.

33 3. The commission shall require, as a condition of granting a license, that an applicant
34 operate an excursion gambling boat which, as nearly as practicable, resembles or is a part of
35 Missouri's or the home dock city's or county's riverboat history.

36 4. The commission shall encourage through its rules and regulations the use of Missouri
37 resources, goods and services in the operation of any excursion gambling boat.

38 5. The excursion gambling boat shall provide for nongaming areas, food service and a
39 Missouri theme gift shop. The amount of space used for gaming shall be determined in
40 accordance with all rules and regulations of the commission and the United States Coast Guard
41 safety regulations.

42 6. A license to operate gambling games or to operate an excursion gambling boat shall
43 not be granted unless the applicant has, through clear and convincing evidence, demonstrated
44 financial responsibility sufficient to meet adequately the requirements of the proposed enterprise.

45 7. Each applicant shall establish by clear and convincing evidence its fitness to be
46 licensed. Without limitation, the commission may deny a license based solely on the fact that
47 there is evidence that any of the following apply:

48 (1) The applicant has been suspended from operating an excursion gambling boat or a
49 game of chance or gambling operation in another jurisdiction by a board or commission of that
50 jurisdiction;

51 (2) The applicant is not the true owner of the enterprise proposed;

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

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

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

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

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

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

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

89 ☐ YES ☐ NO

91 If a majority of the votes cast on the question by the qualified voters voting thereon are in favor
92 of the question, then the commission may license excursion gambling boats in that city or county
93 and such boats may operate on the Mississippi River and the Missouri River. If a majority of the
94 votes cast on the question by the qualified voters voting thereon are opposed to the question, then
95 the commission shall not license such excursion gambling boats in such city or county unless and
96 until the question is again submitted to and approved by a majority of the qualified voters of the
97 city or county at a later election.

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

109 12. Any licensee shall not be delinquent in the payment of property taxes or other taxes
110 or fees or in the payment of any other contractual obligation or debt due or owed to the state or
111 a political subdivision of the state.

118 14. A holder of any license shall be subject to imposition of penalties, suspension or
119 revocation of such license, or if the person is an applicant for licensure, the denial of the
120 application, for any act or failure to act by himself or his agents or employees, that is injurious
121 to the public health, safety, morals, good order and general welfare of the people of the state of
122 Missouri, or that would discredit or tend to discredit the Missouri gaming industry or the state

123 of Missouri unless the licensee proves by clear and convincing evidence that it is not guilty of
124 such action. The commission shall take appropriate action against any licensee who violates the
125 law or the rules and regulations of the commission. Without limiting other provisions of this
126 subsection, the following acts or omissions may be grounds for such discipline:

127 (1) Failing to comply with or make provision for compliance with sections 313.800 to
128 313.850, the rules and regulations of the commission or any federal, state or local law or
129 regulation;

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

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

135 (4) Being suspended or ruled ineligible or having a license revoked or suspended in any
136 state of gaming jurisdiction;

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

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

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

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

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

150 **15. The commission shall be authorized to issue licenses to operate excursion**
151 **gambling boats until there are a total of thirteen excursion gambling boats in the state,**
152 **except that if the commission has not issued licenses for a total of thirteen gambling boats**
153 **in the state by January 1, 2012, the number of excursion gambling boat licenses shall be**
154 **limited to the number of excursion gambling boats with valid licenses on January 1, 2012.**
155 **In addition, after August 28, 2005, any excursion gambling boat license issued by the**
156 **commission that does not replace an existing excursion gambling boat license that has**
157 **expired, been forfeited, revoked, surrendered, or otherwise become invalid, must be located**
158 **in any county with a charter form of government and with more than six hundred**

159 thousand but fewer than seven hundred thousand inhabitants, any county of the first
160 classification with more than one hundred eighty-four thousand but fewer than one
161 hundred eighty-eight thousand inhabitants, any county of the first classification with more
162 than seventy-three thousand seven hundred but fewer than seventy-three thousand eight
163 hundred inhabitants, any county with a charter form of government and with more than
164 one million inhabitants, any county with a charter form of government and with more than
165 two hundred fifty thousand but fewer than three hundred fifty thousand inhabitants, any
166 county of the first classification with more than one hundred ninety-eight thousand but
167 fewer than one hundred ninety-nine thousand two hundred inhabitants, or any city not
168 within a county, and such excursion gambling boat license must be initially issued before
169 January 1, 2012. If one or more excursion gambling boat licenses currently existing or
170 issued under this subsection expires, is forfeited, revoked, surrendered, or otherwise
171 becomes invalid, then the commission may issue a new excursion gambling boat license to
172 replace the excursion gambling boat license that expired, was forfeited, revoked,
173 surrendered, or otherwise became invalid, but such excursion gambling boat license shall
174 only be issued for the same excursion gambling boat or another excursion gambling boat
175 which will be located in the same city or county as the excursion gambling boat whose
176 license expired, was forfeited, revoked, surrendered, or otherwise became invalid.