

HB 2535 -- SPORTS WAGERING PROTECTION ACT

SPONSOR: Plocher

This bill allows licensed excursion gambling boats to offer sports wagering when the Missouri Gaming Commission determines that federal law does not prohibit such sports wagering. Sports wagering could be offered on the excursion gambling boat or over the Internet through a website or mobile device. However, in order to place bets over the Internet a person must first activate an account in person at the excursion gambling boat.

The bill requires that an interactive sports wagering platform obtain a license from the state and pay an application fee of \$10,000 before offering sports wagering over the Internet on behalf of an excursion gambling boat. A licensed interactive sports wagering platform will also have to pay an annual license renewal fee of \$5,000. In order to obtain a license, the interactive sports wagering platform must be registered to do business in Missouri and have its principal place of business in the United States.

Under the provisions of this bill the adjusted gross receipts from sports wagering would be taxed at a rate of 12%. At least once per calendar quarter, a sports wagering operator must also remit to the relevant sports governing body a sports betting right and integrity fee of 1% of the gross amount wagered on its sporting events.

Sports wagering operators must allow individuals to restrict themselves from placing wagers with the operator, as described in the bill. The bill also gives the Missouri Gaming Commission the authority to create rules regarding advertising for sports wagering

Operators must conduct background checks on all newly hired employees, and annual background checks on all existing employees. Operators must employ reasonable methods to prohibit the following individuals from placing wagers with the operator: the operator and employees of the operator, along with any relative living in the same household as such person, from placing bets with the operator; athletes, coaches, referees, and other individuals associated with a sporting event (with the prohibition applying only to a sporting event overseen by that sport's governing body); individuals with access to non-public confidential information held by the operator; and persons placing wagers as agents or proxies for others. Sports wagering operators shall maintain records of all bets and wagers placed, including personally identifiable information of the bettor, amount and type of bet, and certain other information relating to the bet as described in the bill. Operators must also maintain the security of wagering data, customer data, and other

confidential information from unauthorized access and dissemination.

A sports governing body can notify the commission that it desires to restrict, limit, or exclude wagering on its sporting events by providing notice in a form required by the commission, including 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.

The commission must 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, or other conduct that corrupts a betting outcome. The commission and sports wagering operators shall cooperate with investigations conducted by sports governing bodies or law enforcement agencies. Operators must immediately report to the commission any information relating to certain suspicious or illegal wagering activities, as described in the bill (Section 313.865).

Any person who knowingly violates any procedure implemented under this bill shall be liable for a civil penalty of not more than \$5,000 for each violation, not to exceed \$50,000 for violations arising out of the same transaction or occurrence. Such person shall also be subject to actions and penalties provided under current law (Section 313.875).

Any person who places, or causes to be placed, a bet or wager on the basis of non-public information relating to that bet or wager, or who 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 guilty of a class E felony (Section 313.880).

This bill is similar to SB 1013 (2018).