

HB 1364 -- SPORTS WAGERING & INTERACTIVE GAMING

SPONSOR: Houx

This bill enacts new provisions relating to sports wagering and interactive gaming.

The bill defines "Adjusted gross receipts" specifically for Sections 313.1000 to 313.1022, RSMo in relation to sports wagering operations. The bill also provides new definitions for "Esports", "Interactive sports wagering", "sports wagering" among other definitions specific to this section.

The bill allows licensed facilities to offer sports wagering in person at the licensed facility or over the Internet via an interactive sports wagering platform to persons physically located in this state.

The Missouri Gaming Commission shall adopt rules to implement the provisions of the bill and all rules must comply with Chapter 536. Rules adopted under this section include the standards and procedures to govern sports wagering conduct, standards for offering Internet sports wagering to patrons physically located in Missouri, maintaining and auditing of books and financial records, and standards concerning the detection and prevention of compulsive gambling.

Certificate holders shall ensure that the certificate holder's surveillance system covers all areas in which sports wagering is conducted, allow the Commission to be present through gaming agents during the hours sports wagering is conducted, ensure that individuals under the age of 21 are not making sports wagers, provide certain information to sports wagering patrons, and post a sign indicating the minimum and maximum amounts that may be wagered(Section 313.1004).

A person licensed to operate an excursion gambling boat in this state can apply to the Commission for a certificate of authority to conduct sports wagering. The applicant shall pay an application fee of \$50,000 (Section 313.1006).

The Commission must test new sports wagering devices and new forms. Certificate holders shall designate an area within the licensed facility for conducting sports wagering. A certificate holder may contract with up to three branded interactive sports wagering platforms to conduct sports wagering at the certificate holder's licensed facility. Sports wagering may be conducted with negotiable currency. A certificate holder will determine the

minimum and maximum wagers in sports wagering (Section 313.1008).

An interactive sports wagering platform, as defined, must apply to the Commission for authority to offer sports wagering on behalf of a certificate holder. Such interactive sports wagering platform shall submit an application fee of \$50,000. Each year after licensure, an interactive sports wagering platform shall submit an annual license renewal fee of \$20,000 (Section 313.1010).

A certificate holder must verify that individuals under the age of 21 are not making sports wagers. The Commission shall promulgate rules for a sports wagering self-exclusion program, as described in the bill. The Commission shall also promulgate rules to ensure that advertisements for sports wagering do not target minors or other persons who are ineligible to place wagers, problem gamblers, or other vulnerable persons (Section 313.1012).

The Commission shall conduct background checks on individuals seeking licenses under these sections. Such background checks shall include a search for criminal history and any charges or convictions involving corruption or manipulation of sporting events. The bill provides a list of individuals who are prohibited from engaging in sports wagering, including anyone that owns at least 5% of the sports governing body or member teams. Anyone with at least 5% ownership that places or accepts any wager for a member team is guilty of a class C misdemeanor.

The Commission and certificate holders must cooperate with investigations conducted by law enforcement agencies. A sports governing body may notify the Commission that it desires to restrict, limit, or exclude sports wagers, as defined in the bill, on its sporting events (Section 313.1014).

A certificate holder must maintain records of all bets and wagers placed through an interactive sports wagering platform, and all bets and wagers placed in person that exceed \$10,000 in a 24-hour period, including personally identifiable information of the bettor, the amount and type of bet, the time the bet was placed, the location of the bet, the outcome of the bet, and records of abnormal betting activity for at least three years after the sporting event occurs (Section 313.1016).

A wagering tax of six and three-fourths of one percent is imposed on the adjusted gross receipts received from sports wagering conducted by a certificate holder. Such tax shall be remitted one day prior to the last business day of each month. Revenues received from the tax shall be deposited in the "Gaming Proceeds for Education Fund".

A certificate holder shall also pay to the Commission an annual administrative fee of \$20,000. In addition to such administrative fee, a certificate holder shall pay to the Commission a fee of \$10,000 every five years for a reinvestigation of the certificate holder. Such fees shall be deposited into the newly created "Sports Wagering Fund" (Section 313.1021).

All sports wagers placed under this bill shall be deemed to be initiated, received, and otherwise made on the property of an excursion gambling boat in this state. The intermediate routing of electronic data shall not determine the location or locations in which such wager is initiated, received, or otherwise made (Section 313.1022).

The bill specifies procedures and duties the Gaming Commission shall follow when conducting sports wagering and interactive gaming in Missouri.

The bill also declares and proclaims that the state is exempt from the provisions of 15 U.S.C. Section 1172. All shipments of gambling devices used to conduct interactive gaming under sections 313.1200 to 313.1220 to a licensed owner or a permit holder in Missouri, the registering, recording, and labeling of which have been completed by the manufacturer or dealer thereof in accordance with 15 U.S.C. Sections 1171 to 1178, as amended, are legal shipments of gambling devices into Missouri (Section 313.1200).

The bill defines "Adjusted gross receipts" specifically for Sections 313.1200 to 313.1220 in relation to interactive gaming operations. The bill also provides new definitions for terms used in interactive gaming among other definitions specific to this section.

The Commission shall have the same powers and duties with respect to the offering of interactive gaming as it has with respect to noninteractive gaming. In adopting rules and regulating the conduct of interactive gaming, the Commission shall, to the greatest extent possible, use existing rules applicable to the offering of gambling games in Missouri and shall amend existing rules and adopt new rules or standards only as reasonably necessary to implement interactive gaming (Section 313.1204).

A person holding an interactive gaming license issued under this Chapter is authorized to conduct interactive gaming beginning September 1, 2021. Beginning July 1, 2021, the Commission may accept applications for interactive gaming licenses from any licensed owner that wishes to conduct interactive wagering under these sections. The bill lays out the application process to obtain an interactive gaming license (Section 313.1206).

An interactive gaming operator may accept wagers on an interactive gaming platform under certain circumstances. An interactive gaming platform shall include age and location verification mechanisms and requirements. An interactive gaming operator shall implement appropriate data security standards to prevent unauthorized access by any person whose identity has not been verified or cannot be verified, in accordance with rules adopted by the Commission. An interactive gaming operator shall implement appropriate standards to protect the privacy and security of participants to a reasonable degree of certainty (Section 313.1208).

An interactive gaming patron may deposit and withdraw funds from the patron's interactive wagering account. An interactive gaming operator shall maintain within its internal controls mechanisms and procedures for detecting unauthorized access to interactive wagering accounts, unauthorized attempts to access interactive wagering accounts, and suspicious interactive wagering activity constituting cheating, theft, embezzlement, collusion, money laundering, or other illegal activity (Section 313.1210).

The Commission shall develop responsible interactive gaming measures including, but not limited to, a statewide responsible gaming database, identifying individuals who are prohibited from establishing an interactive wagering account or from participating in interactive gaming offered by an interactive gaming operator. The Commission shall maintain the responsible gaming database in a confidential manner.

An interactive gaming tax is hereby imposed on the adjusted gross receipts received from authorized interactive gaming offered by an interactive gaming licensee. The Commission may suspend or revoke the interactive gaming license of an interactive gaming licensee that does not submit the payment or the tax return form within the required time (Section 313.1216).

All interactive gaming wagers placed under this bill shall be deemed to be initiated, received, and otherwise made on the property of an excursion gambling boat in this state. The intermediate routing of electronic data shall not determine the location or locations in which such wager is initiated, received, or otherwise made (Section 313.1220).

This bill is similar to HB 730 (2021).