

HB 2502 -- SPORTS WAGERING

SPONSOR: Houx

This bill enacts new provisions relating to sports wagering.

This bill amends the definition of "games of skill" to include sports wagering in Section 313.800, RSMo.

This bill defines "adjusted gross receipts" specifically for the provisions of this bill relating to sports wagering operations. The bill also provides new definitions for "esports", "interactive sports wagering platform", and "sports wagering", among other definitions specific to the provisions of this bill.

This bill allows certificate holders to offer sports wagering at licensed facilities and over the Internet through interactive sports wagering platforms to persons physically located within the state. Except as provided under this bill, no sports wagering commercial activity may occur within any designated sports district without the approval of a designated sports district mobile licensee, provided no such approval is necessary for the sole activity of offering sports wagering over the Internet via an interactive sports wagering platform.

The Missouri Gaming Commission (Commission) shall adopt rules to implement the provisions of this bill. All rules must comply with Chapter 536. These rules shall include, but not be limited to, standards and procedures governing the conduct of sports wagering, standards governing how a sports wagering operator offers wagering over the Internet, the manner in which sports wagering operator's books and records are maintained and audited, and standards concerning detection and prevention of compulsive gambling.

Certificate holders must make commercially reasonable efforts to:

- (1) Designate areas within the licensed facility to be operated by the sports wagering operator;
- (2) Ensure the security and integrity of sports wagers;
- (3) Ensure that the sports wagering operator's surveillance system covers all areas of sports wagering activity;
- (4) Allow the Commission to be present through the Commission's gaming agents when sports wagering is conducted;
- (5) Ensure that wager results are determined only from data that is provided by the licensed sports wagering suppliers;

(6) Ensure persons under 21 years of age do not make sports wagers;

(7) Establish house rules relating to paid winning wagers amounts; and

(8) Establish industry-standard procedures regarding the voiding or canceling of wagers.

A sports governing body may notify the Commission that official league data for settling tier 2 bets is available for sports wagering operators. The Commission will then notify sports wagering operators of the availability of such league data. Each sports wagering operator shall use only official league data to settle tier 2 bets on athletic events sanctioned by the applicable sports governing body, with certain exceptions as listed in the bill. The Commission shall publish a list of official league data providers on its website.

The Commission may enter into multi-jurisdictional agreements to facilitate, administer, and regulate multi-jurisdictional sports betting to the extent that entering into the agreement is consistent with state and federal laws and is conducted only in the United States.

A licensed applicant, as defined in the bill, may apply to the Commission for each licensed facility in which the licensed applicant wishes to conduct sports wagering. The applicant shall pay an initial application fee of \$50,000.

The Commission shall test new sports wagering devices and forms, variations, or composites of sports wagering prior to authorizing a sports wagering operator to offer such new devices, forms, variations, or composites.

A licensed excursion gambling boat may offer sports wagering through up to three individually branded interactive sports wagering platforms. A designated sports district mobile licensee, as defined in the bill and licensed by the Commission as an interactive sports wagering platform operator, may offer sports wagering within the state through one interactive sports wagering platform. No sports wagering operator may offer sports wagering in person or through any sports wagering kiosk except within a licensed facility that is an excursion gambling boat.

Sports wagering may be conducted with negotiable currency. The sports wagering operator shall determine a minimum and maximum wager amount. A sports wagering device, point-of-contact device,

or kiosk must be approved by the Commission and acquired by an operator from a licensed supplier.

A sports wagering operator may lay off one or more sports wagers subject to rules promulgated by the Commission.

An interactive sports wagering platform provider must apply for a license with the Commission to offer sports wagering on behalf of a licensed facility. The provider shall pay an initial application fee of \$100,000 and a renewal fee every two years of \$50,000.

Any application submitted to the Commission and all documents, reports, and data containing proprietary information, trade secrets, financial information, or personally identifiable information about any person shall be confidential.

The Commission shall adopt rules and regulations incorporating a sports wagering self-exclusion program. The Commission shall adopt rules ensuring advertisements for sports wagering do not knowingly target minors, discloses the identity of the sports wagering operator, provides gambling addiction resource information, and is not false or misleading.

The Commission shall conduct background checks on all individuals seeking licenses under the provisions of this bill. This background check shall include a search for criminal history and any charges or convictions involving corruption or manipulation of a sporting event.

A sports wagering operator shall employ commercially reasonable methods to prohibit unfair betting practices. Any person whose participation may undermine the integrity of the betting or sports event or any person prohibited for good cause as provided for in the bill may not engage in sports wagering.

An operator must adopt procedures to obtain personally identifiable information from any individual placing a single wager of \$10,000 or more while physically present at a casino.

The Commission and sports wagering operators shall all cooperate with investigations conducted by law enforcement agencies or sports governing bodies. In cooperating with investigations, the sports governing body shall maintain the confidentiality of information and files, comply with all applicable privacy laws, and use the information solely in connection with the sports governing body's investigation.

An operator shall immediately report to the Commission information relating to criminal or disciplinary proceedings commenced against

the operator in connection with the sports wagering operation, bets made that violate law, abnormal or suspicious wagering activity and any other conduct that corrupts the wagering outcome of a sporting event.

A sports governing body may submit to the Commission a request to restrict or exclude a type or form of sports wagering on its sporting events if the body believes such wagering would affect the integrity of the sport. The Commission may grant the request upon a showing of good cause by the applicable sports governing body. Sports wagering operators shall be notified of any such restrictions or exclusions.

A sports wagering operator for wagers placed in person, and a licensed facility, interactive sports wagering platform operator, or sports wagering, where applicable, for all interactive wagers placed, in excess of \$10,000, shall maintain personally identifiable information and other information relating to the wager as described in the bill for at least three years. Such information shall be made available for inspection upon the request of the Commission or as required by court order.

A wagering tax of 10% is imposed on the adjusted gross receipts, as defined in the bill, received from sports wagering conducted by a sports wagering operator. A certificate holder or interactive sports wagering platform operator shall remit this tax monthly to the Department of Revenue. In a month when the adjusted gross receipts are negative, the certificate holder or operator may carry over the negative amount for a period of 12 months. The payment of the tax under this section shall be by an electronic funds transfer by an automated clearing house.

Revenues received from this tax shall be deposited into the State Treasury with the first \$250,000 allocated to the Commission to support Missouri's problem gambling programs and the rest credited to the "Gaming Proceeds for Education Fund", to be distributed pursuant to provisions of the bill.

A licensed facility and designated sports district, as defined in the bill, shall pay an annual administrative fee of \$20,000. Additionally, a certificate holder shall pay a fee of \$10,000 to cover the cost of a full reinvestigation of the certificate holder every five years, to be deposited into the Sports Wagering Fund.

This bill establishes the "Sports Wagering Fund". The State Treasurer shall be the custodian of the Fund and may approve disbursements pursuant to law.

All sports wagers placed under the provisions of this bill shall be

deemed initiated, received, and otherwise made on the property of an excursion gambling boat within this state. To the extent required by federal law, all servers necessary for placing or resolving of wagers, other than backup servers, shall be physically located within an excursion gambling boat. To the extent required by federal law, the intermediate routing of electronic data shall not determine the location or locations in which such wagers are initiated, received, or otherwise made.

This bill is similar to HB 730 (2021).