

HB 2921 -- GAMING

SPONSOR: Hardwick

This bill establishes provisions relating to gaming.

Current law requires public institutions of higher education to offer reduced tuition rates to certain combat veterans. The bill provides that such institutions may request reimbursement for reduced tuition, subject to appropriations, to offset the actual costs of such tuition reductions. Such reimbursements shall come from the proceeds of gaming generated pursuant to Sections 313.425 to 313.437, RSMo.

VIDEO LOTTERY TERMINALS (Sections 313.425-313.437)

The bill establishes the "Honoring Missouri Veterans and Supporting Missouri Education Act" to provide additional funding for Missouri education programs and the Missouri Veterans Commission by establishing a licensing and regulatory framework for using video lottery terminals to conduct lottery games.

This bill allows the State Lottery Commission to implement a system of video lottery game terminals and to issue licenses to video lottery game manufacturers, distributors, operators, handlers, and retailers. The Commission will not allow a single vendor or licensee to be responsible for implementing the program, nor allow a single vendor or licensee to control or operate more than 25% of video lottery game terminals in the state after December 31, 2028.

Video lottery game terminals may be placed in fraternal organizations, veterans' organizations, and truck stops, as defined in the bill, and in business entities licensed to sell liquor by the drink.

Video lottery game terminals and video lottery game ticket redemption terminals will be connected to a centralized computer system developed or procured by the Commission. No video lottery game terminal or video lottery game ticket redemption terminal can be placed in operation without first being connected to the centralized computer system.

The Commission may impose a non-refundable application fee, as specified in the bill. The initial license will be for a period of one year. Thereafter, the license renewal period will be four years with the applicable license renewal fee paid for each year such license is renewed, as specified in the bill. In addition to the license fees, video lottery game operators must pay the Commission an annual administrative fee of \$300 for each video

lottery game terminal placed in service. A license will not be issued to any person who has been convicted of a felony or crime involving illegal gambling. Sales agents must be registered with the Commission by a video lottery game operator and may not solicit or enter into any contract with a retailer prior to such retailer being licensed to conduct video lottery games.

Video lottery game operators will pay winning tickets using a video lottery game ticket redemption terminal located within the video lottery game retailer's establishment in direct proximity of where such video lottery games are offered. Video lottery game operators must pay to the Commission 32% of any unclaimed cash prizes associated with winning tickets that have not been redeemed within 180 days of issue.

Video lottery game operators and video lottery game retailers must enter into a written agreement for the placement of video lottery game terminals. The agreement will specify an equal division of adjusted gross receipts, or, upon approval of the Commission, a negotiated division of adjusted gross receipts between the video lottery game operator and the video lottery game retailer after adjustments for taxes and administrative fees are made. Video lottery game operators and video lottery game retailers are prohibited from offering anything of value other than the percentage of adjusted gross receipts for the placement of video lottery terminals, except that video lottery game operators may pay for construction of a video lottery terminal area inside the premises of a video lottery game retailer.

The price of video lottery game terminal credits will be determined by the Commission, and the maximum wager played per video lottery game must not exceed \$5.00. Any cash award for the maximum wager played on any individual lottery game must not exceed \$1,100 or the maximum amount allowable by Federal law before tax withholding is required.

An operator must not operate more than eight terminals at any one fraternal organization, veterans organization, or truck-stop, and not more than five video lottery game terminals at any one lottery game retailer that is not a fraternal organization, veterans organization, or truck-stop.

A person under the age of 21 can not play video lottery games, and the video lottery game terminals must be under the supervision of a person that is at least 21 years of age. Video lottery game terminals must be placed in a fully enclosed room that is continually monitored by video surveillance and where access to persons under the age of 21 is prohibited. Recorded video surveillance footage must be reviewed by video lottery game

operators as required by the Commission and made available to the Commission upon request. Any operator or retailer found to have knowingly committed a violation of provisions governing the conduct of video lottery games may be subject to a fine of \$5,000, the suspension of the operator's retailer's license for up to 30 days, or, in the case of repeated violations, the revocation of the operator's or retailer's license for up to one year.

Video lottery game operators must pay to the Commission 36% of the video lottery game adjusted gross receipts. The net proceeds of the sale of video lottery game tickets must be appropriated equally to public elementary and secondary education and public institutions of higher education with an emphasis on funding elementary and secondary education student transportation costs and higher education workforce development programs. The Commission will compensate the administrative costs of the city or county in which a video lottery retailer maintains an establishment in an amount equal to 4% of the video lottery game adjusted gross receipts.

The remainder of video lottery game adjusted gross receipts, after the cost of the centralized computer system and administrative costs are paid and apportioned, will be retained by video lottery game operators and split evenly between video lottery game operators and video lottery game retailers as provided under an agreement.

All revenues collected by the Commission from license renewal fees and any reimbursements associated with the enforcement of the bill will be appropriated for administrative expenses associated with supervising and enforcing the provisions of the bill.

The Commission must contract with a state law enforcement entity to assist in conducting background investigations of applicants for licenses and for the enforcement of the provisions of the bill.

A video lottery game licensee suspected of a violation of the bill will be afforded an administrative hearing by the Director of the State Lottery on the record, and an appeal of any action taken to impose a fine on the licensee must be made to the Commission. Any such administrative suspension or revocation upheld by the Commission may be appealed by the video lottery game licensee in a state court of competent jurisdiction.

Participation in the state lottery under the bill will not be construed to be a lottery or gift enterprise in violation of Article III, Section 39 of the Constitution of Missouri, and does not constitute a valid reason for the denial or revocation of a permit to sell liquor.

The bill allows a municipality or a county to adopt an ordinance within 180 days of the effective date of the bill prohibiting video lottery game terminals within the municipality or the unincorporated area of the county.

#### COMPULSIVE GAMBLING (Sections 313.813-313.842)

This bill requires the Missouri Gaming Commission to include sports wagering in the voluntary self-exclusion program, as specified in the bill. Any person who has been self-excluded and is found to have entered an excursion gambling boat or placed a sports wager must forfeit his or her winnings.

Current law allows the Commission to establish programs to provide treatment, prevention, and education services for compulsive gambling. This bill requires these programs and includes recovery services. The Department of Mental Health must develop an annual research report, to be paid for out of the Compulsive Gamblers Fund, to assess the social and economic effects of gaming in the State and to obtain scientific information of various affects of compulsive gambling. The report must be submitted to the Governor, the President Pro Tem of the Senate, and the Speaker of the House of Representatives no later than January 31st of each year beginning January 31, 2026.

The bill states that the General Assembly must appropriate at least \$5 million annually from the Gaming Commission Fund to the Compulsive Gamblers Fund.

#### SPORTS WAGERING (Sections 313.800, 313.1000-313.1022)

This bill authorizes wagering on sporting events, including esports, and modifies the definition of "gambling game" to include sports wagering.

Sports wagering will only be authorized to be conducted on an excursion gambling boat or over the internet to persons physically located in this state. Licensed applicants must apply to the Missouri Gaming Commission for authorization to conduct sports wagering and pay an application fee not to exceed \$100,000. If granted a certificate of authority, a certificate holder must be authorized to conduct sports wagering in a licensed facility or through an interactive sports wagering platform, as defined in the bill.

The bill establishes designated sports districts, as defined in the bill, in areas surrounding stadiums in which professional sports teams play their home games. Professional sports teams may

designate a "designated sports district mobile licensee", as defined in the bill, to conduct sports wagering via an interactive sports wagering platform within the designated sports district. "Sports wagering commercial activity", defined as any operation, promotion, signage, advertising, or other business activity relating to sports wagering, will be prohibited within "designated sports districts", as defined in the bill, without approval of the professional sports team.

An excursion gambling boat may conduct sports wagering through an individually branded "interactive sports wagering platform", as defined in the bill, and may operate such platform or contract with a platform operator to administer sports wagering on behalf of the excursion gambling boat. An excursion gambling boat may conduct sports wagering through an additional two individually branded interactive sports wagering platforms and may operate such platform or contract with a platform operator to administer sports wagering on behalf of the excursion gambling boat, provided the excursion gambling boat pays to the Commission an annual administrative fee of \$250,000 for the first additional interactive sports wagering platform and an annual administrative fee of \$500,000 for the second additional interactive sports wagering platform. Each designated sports district mobile licensee may offer sports wagering through one interactive sports wagering platform.

An interactive sports wagering platform may apply to the Commission to conduct sports wagering on behalf of a certificate holder. The interactive sports wagering platform must submit an application fee not to exceed \$250,000. Every year after licensure, an interactive sports wagering platform must submit an annual license renewal fee not to exceed \$125,000.

A sports governing body may notify the Commission that official league data for determining tier 2 sports wagers is available. The Commission must notify the sports wagering operators of the availability within seven days, and within 60 days of receiving the notification, sports wagering operators must use only official league data to determine the outcome of tier 2 sports wagers, with exceptions as specified in the bill.

Certificate holders must 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.

The Commission must 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.

The Commission must conduct background checks on individuals seeking licenses under the bill.

The bill prohibits the direct or indirect legal or beneficial owner of 5% or more of a sports governing body or its member teams from placing or accepting a wager on an event in which a member team participates. A violation of this provision is a Class C misdemeanor.

A sports governing body may submit a request to the Commission to restrict, limit, or exclude a certain type, form, or category of sports wagering on sporting events sponsored by the sports governing body. Upon demonstration of good cause, the Commission must grant such request, as specified in the bill.

The Commission and certificate holders must cooperate with investigations conducted by law enforcement agencies. 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, 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.

A tax is imposed at a rate of 10% on the adjusted gross receipts received from sports wagering conducted by a certificate holder. The tax must be remitted by 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 must also pay to the Commission an annual license renewal fee not to exceed \$50,000. In addition to the administrative fee, a certificate holder must pay to the Commission a fee of \$10,000 every four years for a reinvestigation of the certificate holder. The fees will be deposited in the Gaming Commission Fund.

All sports wagers placed under the bill will 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.

The bill is similar to SB 824 (2024).