

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for House Bill No. 970, Page 1, Section 27.180, Line 3, by
2 deleting the phrase "sections 313.425 to 313.437" and inserting in lieu thereof the phrase
3 "subdivision (3) of subsection 3 of section 313.429 or other funds so appropriated"; and

4
5 Further amend said bill, page, and section, Line 5, by inserting after the word "general" the phrase ",
6 prosecutors, and law enforcement"; and

7
8 Further amend said bill, Pages 2-4, Section 313.427, Lines 1-63, by deleting all of said section and
9 lines and inserting in lieu thereof the following:

10
11 "313.427. As used in sections 313.425 to 313.437, the following terms shall mean:

12 (1) "Adjusted gross gaming revenue", the amount of revenue generated by a video lottery
13 game terminal that is remaining after:

14 (a) Payments of winning to players; and

15 (b) Deduction by the commission of that amount necessary to pay direct administrative costs
16 for the operation of the centralized computer system, but before deduction of the adjusted gross
17 gaming revenue tax;

18 (2) "Adjusted gross gaming revenue tax", a tax of thirty-four percent imposed on adjusted
19 gross gaming revenue;

20 (3) "Centralized computer system", a computerized system developed or procured by the
21 commission that video lottery game terminals are connected to using standard industry protocols
22 that can activate or deactivate a particular video lottery game terminal from a remote location and
23 that is capable of monitoring and auditing video lottery game plays;

24 (4) "Commission" or "lottery commission", the state lottery commission appointed by the
25 governor to manage and oversee the lottery under section 313.215;

26 (5) "Net terminal income", the amount of adjusted gross gaming revenue remaining after
27 deduction of the tax imposed by the commission under section 313.429;

28 (6) "Use agreement", a contract executed by and between a video lottery terminal operator
29 and a video lottery terminal retailer approved by the commission containing minimum terms and
30 conditions determined by the commission establishing the right of the video lottery terminal

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operator to place and operate video lottery terminals on the premises of a video lottery terminal retailer.

(7) "Video lottery game", any game approved by the commission for play on an approved video lottery game terminal;

(8) "Video lottery game adjusted gross receipts", the total of cash or cash equivalents, before the deduction of the tax imposed under section 313.429, used to play a video lottery game on a video lottery game terminal. "Video lottery game adjusted gross receipts" shall not include cash or cash equivalents paid to players of video lottery games on a video lottery game terminal or the amounts deducted by the commission of funds necessary to pay direct administrative costs for the operation of the centralized computer system;

(9) "Video lottery game handler", a person who is licensed by the commission and employed by a video lottery game operator to handle, place, operate, and service video lottery game terminals and associated equipment;

(10) "Video lottery game manufacturer" or "distributor", any person licensed by the commission who:

(a) Manufactures video lottery games, video lottery game terminals, or major parts and components for video lottery game terminals as approved by the commission for sale to video lottery game operators; or

(b) Distributes or services video lottery games, video lottery game terminals, or major parts and components of video lottery game terminals, including buying, selling, leasing, renting, or financing new, used, or refurbished video lottery game terminals to and from licensed video lottery game manufacturers and licensed video lottery game operators;

(11) "Video lottery game operator", a person who is licensed by the commission and owns, rents, or leases and services or maintains video lottery game terminals for placement in licensed video lottery game retailer establishments;

(12) "Video lottery game retailer", a retail establishment that is licensed by the commission to enter into agreements with video lottery game operators for the placement of video lottery game terminals and meets the requirements of a lottery game retailer under section 313.260. No establishment with a primary purpose of providing entertainment, activities, or educational services to anyone under the age of eighteen shall be licensed as a video lottery game retailer;

(13) "Video lottery game terminal", a player-activated terminal that exchanges coins, currency, tickets, ticket vouchers, or electronic payment methods approved by the commission for credit to play video lottery games approved by the commission;

(14) "Video lottery game terminal credit", credits either purchased or won on a video lottery game terminal that may be used to play video lottery games or be converted into a video lottery game ticket;

(15) "Video lottery game ticket" or "ticket", a document printed at the conclusion of any video lottery game play or group of plays that is redeemable for cash, utilizing a video lottery game ticket redemption terminal, or that may be reinserted into a video lottery game terminal located in

1 the video lottery game retailer from which such ticket was issued for video lottery game terminal
 2 credit;

3 (16) "Video lottery game ticket redemption terminal", the collective hardware, software,
 4 communications technology, and other ancillary equipment used to facilitate the payment of tickets
 5 cashed out by players as a result of playing a video lottery game terminal."; and

6
 7 Further amend said bill, Page 5, Section 313.429, Line 23, by inserting after the word "terminals"
 8 the phrase "and video lottery games"; and

9
 10 Further amend said bill, page, and section, Line 29, by inserting after the word "terminals" the
 11 phrase "and video lottery games"; and

12
 13 Further amend said bill and section, Page 6, Lines 61-70, by deleting all of said lines; and

14
 15 Further amend said bill by renumbering all subsequent subdivisions accordingly; and

16
 17 Further amend said bill and section, Page 7, Line 97, by inserting after the word "be" the phrase
 18 "submitted when the application is filed and"; and

19
 20 Further amend said bill, page, and section, Line 100, by deleting the words "two hundred" and
 21 inserting in lieu thereof the word "fifty"; and

22
 23 Further amend said bill, page, and section, Line 101, by deleting the word "two" and inserting in
 24 lieu thereof the word "one"; and

25
 26 Further amend said bill, page, and section, Line 105, by deleting the word "five" and inserting in
 27 lieu thereof the word "four"; and

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 29 Further amend said bill, page, and section, Line 111, by deleting the words "One hundred" and
 30 inserting in lieu thereof the word "Fifty"; and

31
 32 Further amend said bill, page, and section, Line 116, by inserting after the word "service" the phrase
 33 ", and shall be deemed an administrative fee on the device itself and not on the operation or play
 34 thereof"; and

35
 36 Further amends said bill and section, Page 8, Line 136, by deleting the word "written" and inserting
 37 in lieu thereof the word "use"; and

38
 39 Further amend said bill and section, Pages 8-9, Lines 144-172, by deleting all of said lines and
 40 inserting in lieu thereof the following:

41
 42 (2) A requirement that the video lottery game terminal operator is to be responsible for
 43 collection, remittance, and disbursement of gross gaming revenue tax and net terminal revenue;

44 (3) An affirmative statement that no inducement was offered or accepted regarding the
 45 placement or operation of video lottery game terminals at the video lottery game terminal retailer's
 46 location;

1 (4) An indemnity and hold harmless provision on behalf of the state, the commission, and its
 2 agents relative to any cause of action arising out of the agreement between a video lottery game
 3 operator and a video lottery game retailer;

4 (5) A prohibition on the assignment of the agreement from or to any person except from a
 5 video lottery game terminal operator to another video lottery game terminal operator or from a video
 6 lottery game retailer to another video lottery game retailer;

7 (6) A release of the video lottery game terminal retailer from any continuing contractual
 8 obligation to the video lottery game terminal operator if the video lottery game terminal operator has
 9 its license revoked or denied, has its renewal denied, or surrenders its license;

10 (7) A provision that the parties agree to modify the agreement to the extent necessary to
 11 comply with a change in Missouri law or commission rules; and

12 (8) Provisions approved by the commission.

13 5. No video game lottery retailer shall enter into an use agreement with more than one video
 14 lottery game operator at any time. Only upon termination of an use agreement with a video lottery
 15 game operator may a video lottery game retailer enter into a new use agreement with a different
 16 video lottery game operator."; and

17
 18 Further amend said bill and section, Page 9, Line 178, by deleting the phrase "property tax"; and

19
 20 Further amend said bill, page, and section, Lines 183-188, by deleting all of said lines; and

21
 22 Further amend said bill and section, Pages 9-14, Lines 189-365, by renumbering all subsequent
 23 subsections accordingly; and

24
 25 Further amend said bill, page, and section, Line 193, by inserting after the word "distributors" the
 26 phrase "and video gaming operators"; and

27
 28 Further amend said bill and section, Page 10, Line 208, by deleting the word ", operators"; and

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 30 Further amend said bill, page, and section, Line 226, by inserting after the word "an" the word
 31 "use"; and

32
 33 Further amend said bill, page, and section, Line 234, by inserting after the word "retailer" the phrase
 34 ", except as approved by the commission"; and

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 36 Further amend said bill and section, Page 11, Lines 239-242, by deleting all of said lines; and

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 38 Further amend said bill, page, and section, Line 251, by deleting the phrase "or a video lottery game
 39 retailer"; and

Further amend said bill, page, and section, Line 253, by deleting the phrase "or a video lottery game retailer"; and

Further amend said bill, page, and section, Line 269, by deleting the word "twelve" and inserting in lieu thereof the word "eight"; and

Further amend said bill and section, Page 12, Line 280, by inserting after the word "conferences" the phrase ", and video lottery game terminal operators may advertise, promote, and market to players of video gaming terminals through player rewards programs approved by the commission"; and

Further amend said bill, page, and section, Line 286, by deleting the word "retailers" and inserting in lieu thereof the word "operators"; and

Further amend said bill, page, and section, Line 291, by inserting after the word "commission." the following:

"Video footage taken by the video surveillance system shall:

(a) Be deleted and expunged after the thirty day period described in this subdivision; and

(b) Not make use of any facial recognition technology or software."; and

Further amend said bill and section, Pages 12-13, Lines 301-333, by deleting all of said lines and inserting in lieu thereof the following:

"(4) A video lottery game operator shall post a sign in a conspicuous location where such video lottery game terminals are located containing, in red lettering at least one-half inch high on a white background, a telephone contact number (1-888-BETSOFF) for the problem gambling helpline.

(5) Pursuant to rules adopted by the commission, a video lottery game operator shall be responsible for:

(a) Payments to winning players;

(b) Collecting all funds from video lottery game terminals;

(c) Depositing all funds so collected into a separate bank account maintained by the video lottery terminal operator to allow for electronic fund transfers by the commission on a monthly basis all applicable adjusted gross gaming tax; and

(d) After such transfer by the commission, remitting to the video lottery game retailer its share of net terminal income on not less than a monthly basis. The video lottery game operator may thereafter transfer its share of net terminal income to its business operations account.

1 13. The adjusted gross gaming revenue tax shall be imposed on adjusted gross gaming
 2 revenue. Video lottery terminal operators shall collect and remit the adjusted gross gaming revenue
 3 tax, which shall be deposited in the state lottery fund pursuant to rules adopted by the commission.
 4 The commission shall use and transmit such funds as follows:

5 (1) The commission shall retain an amount necessary to cover any administrative expenses
 6 that are not covered by reimbursements from video lottery game operators, less the amount to be
 7 distributed pursuant to subdivision (2) of this section, which shall not be considered state revenues
 8 and such funds shall not be deposited into the state lottery fund;

9 (2) The commission shall adopt rules to identify the location, by city and county, of each
 10 video lottery terminal being operated in the state and connected to the central control system. Such
 11 city or county so identified shall receive ten percent of the gross gaming revenue tax collected and
 12 remitted on the adjusted gross gaming revenue generated by those video lottery terminals located
 13 within the jurisdiction of such identified city or county for use in providing services necessary for
 14 the safety of the public visiting a video lottery terminal retailer's location. All revenue owed to such
 15 city or county shall be deposited and distributed to such city or county in accordance with rules
 16 adopted by the commission. All governing bodies of any city or county shall not be considered state
 17 funds and shall be deposited in such city or county's general revenue fund to be expended as
 18 provided for in this section;

19 (3) All remaining funds not allocated for administrative expenses or not designated as state
 20 revenue pursuant to subdivision (2) of this subsection shall be deposited in the state lottery fund and
 21 transferred by appropriation to the lottery proceeds fund and shall be appropriated equally to public
 22 elementary and secondary education and public institutions of higher learning with an emphasis on
 23 funding elementary and secondary education student transportation costs and public institutions of
 24 higher education workforce development programs. The funding provided for in this subdivision
 25 shall supplement, and not supplant, any education funding otherwise appropriated by the general
 26 assembly."; and

27
 28 Further amend said bill and section, Page 14, Lines 356-357, by deleting all of said lines and
 29 inserting in lieu thereof the following:

30
 31 "a reasonable designation of an area within a video lottery game retailer's premises as the gaming
 32 area that is distinct and divided from the primary business operation area of the retailers
 33 establishment where all video lottery terminals and ancillary equipment shall be placed and operated
 34 and all gaming activity shall be conducted."; and

35
 36 Further amend said bill and page, Section 313.431, Line 1, by deleting the number "1."; and

37
 38 Further amend said bill, page, and section, Line 4, by deleting the phrase "three hundred sixty-five"
 39 and inserting in lieu thereof the phrase "one hundred eighty"; and

Further amend said bill, page, and section, Line 11, by deleting the phrase "three hundred sixty-five" and inserting in lieu thereof the phrase "one hundred eighty"; and

Further amend said bill and section, Page 15, Line 15, by deleting the phrase "three hundred sixty-five" and inserting in lieu thereof the phrase "one hundred eighty"; and

Further amend said bill, page, and section, Line 28, by inserting after the word "subsection" the following:

". The operating of a no-chance game shall not be cause for denial of a VLT operator's or retailer's license"; and

Further amend said bill, page, and section, Lines 32-36, by deleting all of said lines; and

Further amend said bill, Pages 15-16, Section 313.435, Lines 1-14, by deleting all of said lines and inserting in lieu thereof the following:

"313.435. 1. A municipality may adopt an ordinance prohibiting video lottery game terminals within the corporate limits of such municipality within one hundred eighty days from the effective date of this act. Such municipality shall notify the commission of the ordinance within seven days of passage and the commission shall not authorize the placement of video lottery terminals within such municipality. A municipality that has adopted such an ordinance may at any time thereafter adopt an ordinance authorizing video lottery game terminals within the corporate limits of such municipality, provided that such municipality shall not thereafter prohibit video lottery game terminals within the corporate limits of such municipality.

2. A county commission may, for the unincorporated area of the county, adopt an ordinance prohibiting video lottery game terminals within the unincorporated area of the county within one hundred eighty days from the effective date of this act. Such county shall notify the commission of the ordinance within seven days of passage and the commission shall not authorize the placement of video lottery terminals with such unincorporated area of the county. A county commission that has adopted such ordinance may at any time thereafter adopt an ordinance authorizing video lottery game terminals within the unincorporated area of such county, provided that such county commission shall not thereafter prohibit video lottery game terminals within the unincorporated area of such county.

3. Any municipality or county adopting an ordinance that prohibits the licensing of video lottery games shall notify the commission of such action"; and

Further amend said bill and section, Page 16, Line 18, by deleting said line and inserting in lieu thereof the following:

"4. If any such municipality or county that has opted to prohibit the"; and

Further amend said bill, Pages 16-17, Section 313.437, Lines 1-50, by deleting of said lines and inserting in lieu thereof the following:

1
2 "313.437. Nothing in sections 313.425 to 313.437 shall be construed to prohibit or bar the
3 issuance of any license described therein to an applicant on the basis of that applicant's operation,
4 handling, leasing, licensing, servicing, or placing of machines or devices used for amusement
5 purposes, except that any video lottery game retailer shall attest, on a form provided by the
6 commission, that the video lottery game retailer does not have any machines or devices operating in
7 the retail establishment where winning game plays result in a cash payout. This form shall be
8 submitted no later than forty-eight hours after the placement and operation of any video lottery
9 game terminals in the retail establishment."; and

10
11 Further amend said bill, Page 18, Section 572.010, Lines 15-17, by deleting the phrase "The
12 owning, operating, supplying, or servicing of video lottery game terminals under sections 313.425 to
13 313.437 does not constitute advancing gambling activity"; and

14
15 Further amend said bill, page, and section, Lines 21-28, by deleting said lines and inserting in lieu
16 thereof the following:

17
18 "(3) "Contest of chance", any contest, game, gaming scheme, or gaming device in which the
19 outcome depends in a material degree upon an element of chance, notwithstanding that the skill of
20 the contestants may also be a factor therein;

21 "(4) "Gambling", a person engages in gambling when he or she stakes or risks something of
22 value upon the outcome of a contest of"; and

23
24 Further amend said bill and section, Page 18, Lines 40-42, by deleting said lines and inserting in lieu
25 thereof the following:

26
27 "sections 313.800 to 313.840."; and

28
29 Further amend said bill and section, Pages 19-20, Lines 71-99, by deleting said lines and inserting in
30 lieu thereof the following:

31
32 "(11) "Slot machine", a gaming device that as a result of the insertion of a coin or other
33 object operates, either completely automatically or with the aid of some physical act by the player,
34 in a such a manner that, depending upon elements of chance, it may eject something of value. A
35 device so constructed or readily adaptable or convertible to such use is no less a slot machine
36 because it is not in working order or because some mechanical act of manipulation or repair is
37 required to accomplish its adaptation, conversion or workability. Nor is it any less a slot machine
38 because apart from its use or adaptability as such it may also sell or deliver something of value on a
39 basis other than chance;"; and

40
41 Further amend said bill, Pages 20-21, Section 572.020, Lines 1-7, by deleting said section and lines
42 from the bill; and

43
44 Further amend said bill, Page 21, Section 572.070, Lines 1-7, by deleting said section and lines from
45 the bill; and

46
47 Further amend said bill by amending the title, enacting clause, and intersectional references
48 accordingly.