

FIRST REGULAR SESSION

HOUSE BILL NO. 970

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE HARDWICK.

0968H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal sections 43.050, 572.010, 572.020, 572.070, and 572.100, RSMo, and to enact in lieu thereof fourteen new sections relating to video lottery games, with penalty provisions.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 43.050, 572.010, 572.020, 572.070, and 572.100, RSMo, are
2 repealed and fourteen new sections enacted in lieu thereof, to be known as sections 27.180,
3 43.050, 313.425, 313.427, 313.429, 313.431, 313.433, 313.434, 313.435, 313.437, 572.010,
4 572.020, 572.070, and 572.100, to read as follows:

**27.180. There is hereby created in the state treasury the "Illegal Gaming
2 Enforcement Fund", which shall consist of revenues received by the state lottery
3 commission pursuant to sections 313.425 to 313.437. The state treasurer shall be
4 custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer
5 may approve disbursements. Moneys in the fund shall be used by the attorney general
6 to investigate, enforce, charge, and prosecute violations of chapter 572.
7 Notwithstanding the provisions of section 33.080 to the contrary, any moneys
8 remaining in the fund at the end of the biennium shall not revert to the credit of the
9 general revenue fund. The state treasurer shall invest moneys in the fund in the same
10 manner as other funds are invested. Any interest and moneys earned on such
11 investments shall be credited to the fund.**

43.050. 1. The superintendent may appoint not more than thirty-four captains and
2 one director of radio, each of whom shall have the same qualifications as the superintendent,
3 nor more than sixty-eight lieutenants, and such additional force of sergeants, corporals and

EXPLANATION — Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

4 patrolmen, so that the total number of members of the patrol shall not exceed one thousand
5 sixty-four officers and patrolmen and such numbers of radio personnel as the superintendent
6 deems necessary.

7 2. In case of a national emergency the superintendent may name additional patrolmen
8 and radio personnel in a number sufficient to replace, temporarily, patrolmen and radio
9 personnel called into military services.

10 3. The superintendent may enter into an agreement with the **Missouri lottery**
11 **commission and the Missouri gaming commission** to enforce any law, rule, or regulation,
12 conduct background investigations under the laws of this state, and enforce the regulations of
13 licensed gaming activities governed by chapter 313. A notice of either party to terminate or
14 modify the provisions of such agreement shall be in writing and executed not less than one
15 year from the effective date of the termination or modification, unless mutually agreed upon
16 by the superintendent ~~and~~, **the Missouri lottery commission, or the Missouri gaming**
17 **commission**. Members of the patrol hired in conjunction with any agreement with the
18 **Missouri lottery commission or the Missouri gaming commission** shall not be subject to the
19 personnel cap referenced in subsection 1 of this section. If such agreement is subsequently
20 terminated or modified to reduce the number of personnel used in such agreement, those
21 members affected by such termination or modification shall not be subject to the personnel
22 cap referenced in subsection 1 of this section for a period of five years.

23 4. Member positions of the patrol originally acquired in conjunction with the
24 community-oriented policing services federal grant or members assigned to fulfill the duties
25 established in sections 43.350 to 43.380 shall not be subject to the personnel cap referenced in
26 subsection 1 of this section.

27 5. Applicants shall not be discriminated against because of race, creed, color, national
28 origin or sex.

313.425. Sections 313.425 to 313.437 shall be known and may be cited as the
2 **"Honoring Missouri Veterans and Supporting Missouri Education Act" and shall**
3 **provide additional funding for Missouri education programs and the Missouri veterans**
4 **commission and provide additional resources for Missouri municipalities and counties**
5 **by establishing a licensing and regulatory framework for a system of video lottery game**
6 **terminals to conduct lottery games.**

313.427. As used in sections 313.425 to 313.437, the following terms shall mean:
2 **(1) "Centralized computer system", a computerized system developed or**
3 **procured by the commission that video lottery game terminals are connected to using**
4 **standard industry protocols that can activate or deactivate a particular video lottery**
5 **game terminal from a remote location and that is capable of monitoring and auditing**
6 **video lottery game plays;**

- 7 (2) "Commission" or "lottery commission", the state lottery commission
8 appointed by the governor to manage and oversee the lottery under section 313.215;
- 9 (3) "Net terminal income", the amount of video lottery game adjusted gross
10 receipts remaining after deduction of the tax imposed by the commission under section
11 313.429;
- 12 (4) "No-chance game machine", any electronic game that:
- 13 (a) Has a finite set of sequential outcomes that are predetermined and not
14 subject to change after being set;
- 15 (b) Does not use a random number generator or otherwise shuffle outcomes
16 based on play or player interaction with the machine; and
- 17 (c) Allows the player to preview the outcome of each game play;
- 18 (5) "Video lottery game", any game approved by the commission for play on an
19 approved video lottery game terminal;
- 20 (6) "Video lottery game adjusted gross receipts", the total of cash or cash
21 equivalents, before the deduction of the tax imposed under section 313.429, used to play
22 a video lottery game on a video lottery game terminal. "Video lottery game adjusted
23 gross receipts" shall not include cash or cash equivalents paid to players of video lottery
24 games on a video lottery game terminal or the amounts deducted by the commission of
25 funds necessary to pay direct administrative costs for the operation of the centralized
26 computer system;
- 27 (7) "Video lottery game handler", a person who is licensed by the commission
28 and employed by a video lottery game operator to handle, place, operate, and service
29 video lottery game terminals and associated equipment;
- 30 (8) "Video lottery game manufacturer" or "distributor", any person licensed by
31 the commission who:
- 32 (a) Manufactures video lottery games, video lottery game terminals, or major
33 parts and components for video lottery game terminals as approved by the commission
34 for sale to video lottery game operators; or
- 35 (b) Distributes or services video lottery games, video lottery game terminals, or
36 major parts and components of video lottery game terminals, including buying, selling,
37 leasing, renting, or financing new, used, or refurbished video lottery game terminals to
38 and from licensed video lottery game manufacturers and licensed video lottery game
39 operators;
- 40 (9) "Video lottery game operator", a person who is licensed by the commission
41 and owns, rents, or leases and services or maintains video lottery game terminals for
42 placement in licensed video lottery game retailer establishments;

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

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

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

55 **(13) "Video lottery game ticket" or "ticket", a document printed at the**
56 **conclusion of any video lottery game play or group of plays that is redeemable for cash,**
57 **utilizing a video lottery game ticket redemption terminal, or that may be reinserted into**
58 **a video lottery game terminal located in the video lottery game retailer from which such**
59 **ticket was issued for video lottery game terminal credit;**

60 **(14) "Video lottery game ticket redemption terminal", the collective hardware,**
61 **software, communications technology, and other ancillary equipment used to facilitate**
62 **the payment of tickets cashed out by players as a result of playing a video lottery game**
63 **terminal.**

313.429. 1. (1) The commission shall implement a system of video lottery game
2 **terminals and issue licenses to video lottery game manufacturers, video lottery game**
3 **distributors, video lottery game operators, video lottery game handlers, and video**
4 **lottery game retailers; provided, however, that no person licensed as a:**

5 **(a) Video lottery game manufacturer or a video lottery game distributor shall be**
6 **issued a license as a video lottery game operator or a video lottery game retailer;**

7 **(b) Video lottery game operator shall be issued a license as a video lottery game**
8 **manufacturer, a video lottery game distributor, or a video lottery game retailer; and**

9 **(c) Video lottery game retailer shall be issued a license as a video lottery game**
10 **manufacturer, a video lottery game distributor, or a video lottery game operator.**

11 **(2) Nothing in this subsection shall prevent a video lottery game manufacturer**
12 **from obtaining a video lottery game manufacturer's license and a video lottery game**
13 **distributor's license and providing and operating the centralized computer system for**
14 **monitoring video lottery game terminals.**

15 **(3) The commission shall not authorize or allow a single vendor licensee to**
16 **implement the system of video lottery game terminals. A vendor that provides the**

17 centralized computer system shall not be eligible to be licensed as a video lottery game
18 operator or video lottery game retailer.

19 (4) The commission shall ensure that the video lottery game system authorized
20 by sections 313.425 to 313.437 shall allow for multiple video lottery game
21 manufacturers, video lottery game distributors, and video lottery game operators to
22 encourage private sector investment and job opportunities for Missouri citizens.

23 2. Video lottery game terminals shall meet independent testing standards
24 approved by the commission, as tested by one or more licensed independent test labs.
25 The commission shall promulgate rules for minimum standards for video lottery game
26 terminals operating in the state. Such minimum standards shall include:

27 (1) Video lottery game terminals shall conform to all requirements of federal law
28 and regulations, including FCC Class A Emission Standards;

29 (2) Video lottery game terminals shall theoretically pay out a mathematically
30 demonstrable percentage during the expected lifetime of the machine of all amounts
31 played, which shall not be less than eighty percent. The commission shall establish a
32 maximum payout percentage for approved models by rule. Video lottery game
33 terminals that may be affected by skill shall meet this standard when using a method of
34 play that will provide the greatest return to the player over a period of continuous play;

35 (3) Video lottery game terminals shall use a random number generator
36 computer, software, or similar random selection process to generate and produce an
37 independent and random outcome of each play of a lottery game. The random selection
38 process shall meet ninety-nine percent confidence limits using a standard chi-squared
39 test for goodness of fit;

40 (4) Video lottery game terminals shall display an accurate representation of the
41 game outcome;

42 (5) Video lottery game terminals shall not automatically alter pay tables or any
43 function of the video lottery game terminal based on internal computation of hold
44 percentage or have any means of manipulation that affects the random selection process
45 or probabilities of winning a game;

46 (6) Video lottery game terminals shall not be adversely affected by static
47 discharge or other electromagnetic interference;

48 (7) Video lottery game terminals shall, while in an idle state or on demand, be
49 capable of detecting and displaying "power reset", "door open", and "door just
50 closed";

51 (8) Video lottery game terminals shall have the capacity to display complete play
52 history including, but not limited to, outcome, intermediate play steps, credits available,

53 bets placed, credits paid, and credits cashed out, for the most recent game played and
54 ten games played immediately prior thereto;

55 (9) The theoretical payback percentage of a video lottery game terminal shall not
56 be capable of being changed without making a hardware or software change in the video
57 lottery game terminal, either on site or through the central computer system;

58 (10) Video lottery game terminals shall be designed so that replacement of parts
59 or modules required for normal maintenance does not necessitate replacement of the
60 electromechanical meters;

61 (11) Video lottery game terminals shall have meters that cannot be reset housed
62 in a locked area of the video lottery game terminal that keep a permanent record of:

63 (a) All cash inserted into the machine;

64 (b) All credits cashed out by the terminal printer;

65 (c) Credits played by video lottery players; and

66 (d) Credits won by video lottery players.

67

68 Video lottery game terminals shall provide the means for on-demand display of stored
69 information as determined by the commission. Such information shall be preserved for
70 a minimum of one hundred eighty days after a power loss to the terminal;

71 (12) Video lottery game terminals shall have one or more mechanisms that
72 accept cash in the form of bills. The mechanisms shall be designed to prevent obtaining
73 credits without paying by stringing, slamming, drilling, or other means. If such
74 attempts at physical tampering are made, the video lottery game terminal shall suspend
75 itself from operating until reset;

76 (13) Video lottery game terminals shall have accounting software that keeps an
77 electronic record of information including, but not limited to, total cash inserted, value
78 of winning tickets claimed by players, total credits played, total credits awarded by a
79 video lottery game terminal, and payback percentage credited to players of each video
80 lottery game;

81 (14) Video lottery game terminals shall be capable of issuing and accepting
82 tickets for play, commonly known as ticket-in, ticket-out. Video lottery game terminals
83 shall not directly dispense anything of value except for tickets representing credits
84 purchased or won on a video lottery game terminal. The ticket shall indicate the total
85 amount of award, the time of day in a twenty-four-hour format showing hours and
86 minutes, the date, the video lottery game terminal serial number, the sequential number
87 of the ticket, and an encrypted validation number from which the validity of the prize
88 may be determined; and

89 **(15) Video lottery game terminals and redemption terminals shall be connected**
90 **to a centralized computer system developed or procured by the commission. The**
91 **commission shall provide licensed video lottery game operators with the necessary**
92 **protocols to connect video lottery game terminals to the centralized computer system**
93 **after such terminals have been approved by the commission. No video lottery game**
94 **terminal shall be placed in operation without first connecting to the centralized**
95 **computer system.**

96 **3. (1) The commission may impose an initial nonrefundable administrative**
97 **license application fee that shall be deposited in the state lottery fund as follows:**

98 **(a) For video lottery game manufacturers and video lottery game distributors,**
99 **twenty-five thousand dollars;**

100 **(b) For video lottery game operators, five hundred thousand dollars;**

101 **(c) For video lottery game retailer establishments, two thousand dollars for each**
102 **video lottery game retailer's establishment; and**

103 **(d) For video lottery game handlers, one hundred dollars.**

104 **(2) The initial license shall be for a period of one year. Thereafter, license**
105 **renewal periods shall be five years with the applicable renewal fee paid in advance for**
106 **each year of such license renewal. Annual license renewal fees for anyone licensed**
107 **pursuant to this subsection, and subsequent to the initial one-year period, shall be as**
108 **follows:**

109 **(a) Five thousand dollars for video lottery game manufacturers and video lottery**
110 **game distributors;**

111 **(b) Two hundred fifty thousand dollars for video lottery game operators;**

112 **(c) One hundred dollars for video lottery game handlers; and**

113 **(d) One thousand dollars for each video lottery game retailer's establishment.**

114 **(3) In addition to any other fees imposed by sections 313.425 to 313.437, an**
115 **annual administrative fee of one thousand dollars shall be paid for each video lottery**
116 **game terminal placed in service. Such annual administrative fee shall be equally**
117 **divided and paid by the video lottery game operator and the video lottery game retailer**
118 **to the commission once a year. The commission shall deposit two hundred dollars of the**
119 **fee in the state lottery fund. The remaining eight hundred dollars of such fee shall not**
120 **be considered state revenues and shall be paid as follows:**

121 **(a) One hundred dollars shall be transmitted to the Missouri state highway**
122 **patrol for use in investigations and enforcement of sections 313.425 to 313.437;**

123 **(b) One hundred dollars shall be transmitted to the Missouri attorney general's**
124 **office for use in illegal gambling enforcement;**

125 **(c) Four hundred dollars shall be transmitted to the veterans commission; and**

126 **(d) Two hundred dollars shall be transmitted to the municipality in which the**
127 **video lottery game terminal is located, except that if a video lottery game terminal is**
128 **located in an unincorporated area of a county, the two hundred dollars shall be**
129 **transmitted to the county in which the video lottery game terminal is located.**

130 **(4) No license shall be issued to any person who has been convicted of a felony or**
131 **any crime involving illegal gambling.**

132 **(5) A licensee shall notify the commission of any change relating to the status of**
133 **its license or any other information contained in the application materials on file with**
134 **the commission.**

135 **4. Licensed video lottery game operators and licensed video lottery game**
136 **retailers shall enter into a written agreement for the placement of video lottery game**
137 **terminals. The video lottery game terminal operator shall provide a true and accurate**
138 **copy of the executed use agreement to the video lottery game terminal retailer within ten**
139 **days after the agreement by the parties. The agreement shall be on a form prepared and**
140 **provided by the commission. The form shall contain commercially reasonable terms**
141 **including, but not limited to:**

142 **(1) An equal division of net terminal income between a video lottery game**
143 **operator and video lottery game retailer;**

144 **(2) A minimum term of five years and a maximum term of ten years;**

145 **(3) Renewable for a minimum term of five years and a maximum term of ten**
146 **years;**

147 **(4) A requirement that the video lottery game terminal operator is to be**
148 **responsible for collection, remittance, and disbursement of gross gaming revenue tax**
149 **and net terminal revenue;**

150 **(5) An affirmative statement that no inducement was offered or accepted**
151 **regarding the placement or operation of video lottery game terminals at the video**
152 **lottery game terminal retailer's location;**

153 **(6) An indemnity and hold harmless provision on behalf of the state, the**
154 **commission, and its agents relative to any cause of action arising out of the agreement**
155 **between a video lottery game operator and a video lottery game retailer;**

156 **(7) A prohibition on the assignment of the agreement from or to any person**
157 **except from a video lottery game terminal operator to another video lottery game**
158 **terminal operator or from a video lottery game retailer to another video lottery game**
159 **retailer;**

160 **(8) A release of the video lottery game terminal retailer from any continuing**
161 **contractual obligation to the video lottery game terminal operator if the video lottery**

162 game terminal operator has its license revoked or denied, has its renewal denied, or
163 surrenders its license;

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

166 (10) A provision that authorizes termination of the agreement for good cause.

167 5. No video game lottery retailer shall enter into an agreement with more than
168 one video lottery game operator at any time. Only upon termination of an agreement
169 with a video lottery game operator may a video lottery game retailer enter into a new
170 agreement with a different video lottery game operator.

171 6. All licensees shall remain subject to all income taxes, sales taxes, and use taxes
172 lawfully assessed by this state, or any municipality, county, or other political subdivision
173 of this state; provided, however, that a municipality, county, or other political
174 subdivision of this state shall not impose, levy, collect, or assess any license
175 requirement, tax, or fee including, but not limited to, any permit tax or fee, sticker
176 fee, occupation tax or fee, amusement tax or fee, property tax, or taxes or fees upon the
177 play, use, ownership, lease, placement, operation, repair, service, transportation, or
178 storage of any video lottery game terminal, video lottery game, video lottery game
179 terminal manufacturer, video lottery game terminal distributor, video lottery game
180 terminal operator, or video lottery game terminal retailer.

181 7. Video lottery game manufacturers, video lottery game distributors, video
182 lottery game operators, video lottery game retailers, video lottery game handlers, or any
183 other business establishment involved with the operation of video lottery games, video
184 lottery game terminals, or associated equipment shall not be required to pay any state or
185 local personal property tax on any video lottery game terminals, video lottery games,
186 redemption terminals, or associated equipment.

187 8. (1) Video lottery game terminals shall be inspected and approved by the
188 commission prior to being sold, leased, or transferred.

189 (2) Licensed video lottery game manufacturers may buy, sell, or lease new or
190 refurbished video lottery game terminals to and from licensed video lottery game
191 distributors.

192 (3) Licensed video lottery game distributors may buy, sell, or lease new or
193 refurbished video lottery game terminals to or from licensed video lottery game
194 manufacturers or licensed video lottery game operators.

195 (4) Video lottery game ticket redemption terminals shall meet independent
196 testing standards approved by the commission. Notwithstanding any other provision of
197 law to the contrary, any video lottery game operator that owns or leases video lottery
198 ticket redemption terminals prior to the operational date established in subdivision (6)

199 of subsection 1 of section 313.431 may use or sell such video lottery ticket redemption
200 terminals pursuant to the terms of sections 313.425 to 313.437. The commission shall
201 approve for use and sale any ticket redemption terminal that is in operation and meets
202 the requirements of sections 313.425 to 313.437, or that has been approved by another
203 state for operation for use as part of that state's video lottery game system.

204 9. (1) Licensed video lottery game operators:

205 (a) May buy, lease, or rent video lottery game terminals from licensed video
206 lottery game manufacturers, operators, or distributors;

207 (b) May handle, place, and service video lottery game terminals; and

208 (c) Shall connect such video lottery game terminals to the centralized computer
209 system approved by the commission.

210 (2) Notwithstanding any other provisions of law to the contrary, all video lottery
211 game tickets shall be redeemed using a video lottery game ticket redemption terminal.
212 Such video lottery game ticket redemption terminal shall be located within a video
213 lottery game retailer's establishment in direct proximity to such video lottery game
214 terminals. Video lottery game operators shall pay the commission thirty-two percent of
215 any unclaimed cash prize associated with each video lottery game ticket that has not
216 been redeemed within one hundred eighty days of issue.

217 (3) A video lottery game terminal operator shall not be, directly or indirectly, a
218 landlord or lessor of real property to a video lottery game retailer. No lease of real
219 property may contain a provision requiring any sharing or splitting of net terminal
220 income, or any method of rent calculation using a percentage of net terminal income, or
221 any other similar provision or method for the determination or calculation of any rent
222 concession, or other charge by a lessor to a lessee.

223 (4) (a) Only a video lottery game operator or an operator's employee may
224 negotiate and enter into an agreement with a video lottery game retailer for the initial or
225 continued placement of video lottery game terminals. Such agreement shall be on a
226 form approved by the commission. Video lottery game operators and video lottery
227 game retailers shall not offer anything of value, other than the percentage of adjusted
228 gross receipts provided under this subsection, as part of any agreement or contract.

229 (b) No video lottery game operator or video lottery game retailer shall pay
230 compensation or any other valuable consideration to any third party for the solicitation,
231 procurement, execution, or delivery of any contract or agreement with a video lottery
232 game operator or video lottery game retailer.

233 (5) Agreements for the initial or continued placement of video lottery game
234 terminals entered into prior to the start date established under section 313.431 between

235 a prospective video lottery game operator and a prospective video lottery game retailer
236 shall be invalid.

237 (6) A video lottery game operator may, as part of the agreement with a video
238 lottery game retailer, pay for half of the cost of a video lottery game terminal area,
239 provided that a video lottery game operator's share of the cost described herein shall be
240 no more than ten thousand dollars towards a video lottery game terminal area.

241 10. (1) To combat problem gambling, video lottery game operators shall allow
242 players to be self-excluded from video lottery game play. Operators shall provide the
243 commission with a list of players who have elected to be excluded from video lottery
244 game play within thirty days of such election and shall update such list periodically as
245 required by the commission. Such list shall be a closed record under chapter 610 and
246 shall not be released to the public. The commission shall issue such self-exclusion
247 procedures by rule.

248 (2) Notwithstanding any other provision of law to the contrary, a video lottery
249 game operator or a video lottery game retailer may establish a player rewards system,
250 which shall be approved by the commission. No player shall be required to enroll in a
251 rewards program offered by a video lottery game operator or video lottery game retailer
252 as a condition to play video lottery games.

253 11. No licensed video lottery game operator shall:

254 (1) Offer video lottery game terminals that directly dispense anything of value
255 except for video lottery game tickets. Tickets shall be dispensed by pressing the ticket
256 dispensing button on the video lottery game terminal at the end of any video lottery
257 game play. The ticket shall indicate the total amount of video lottery game terminal
258 credits and the cash award, the time of day in a twenty-four-hour format showing hours
259 and minutes, the date, the terminal serial number, the sequential number of the ticket,
260 and an encrypted validation number from which the validity of the prize may be
261 determined. The price of video lottery game terminal credits shall be determined by the
262 commission. The maximum wager played per video lottery game for a single video
263 lottery game play shall not exceed four dollars. The maximum prize for a single video
264 lottery game play shall be no more than one dollar less than the minimum amount
265 required to report gambling winnings from slot machines pursuant to IRS Form W2G
266 and IRS Form 5754;

267 (2) Operate more than twelve video lottery game terminals per location on the
268 premises that maintains a video lottery game retailer's license;

269 (3) Advertise to the public through any means including, but not limited to,
270 media outlets, direct mail, telephone solicitation, billboards, or other signage. The
271 advertising prohibition contained in this subdivision shall apply to all licensees

272 including, but not limited to, video lottery game manufacturers, video lottery game
273 distributors, video lottery game operators, video lottery game retailers, and video
274 lottery game handlers. Notwithstanding any other provision of law to the contrary,
275 there is no prohibition or restriction on direct or indirect marketing or advertising
276 between video lottery game manufacturers, video lottery game distributors, video
277 lottery game operators, video lottery game retailers, and video lottery game handlers
278 such as in trade journals or at trade conferences; or

279 (4) Allow video lottery games to be played at any time when the video lottery
280 game retailer's establishment is closed for business.

281 12. (1) No person under twenty-one years of age shall play video lottery games.
282 The video lottery game retailer shall be responsible for preventing persons under
283 twenty-one years of age from playing video lottery games.

284 (2) Video lottery game retailers shall have a video surveillance system within the
285 immediate area of the video lottery game retailer's establishment where video lottery
286 game terminals are located. The video lottery game retailer shall maintain video footage
287 for thirty days and shall, upon request, provide such footage to the video lottery game
288 operator with which a video lottery game retailer has an agreement or to the
289 commission.

290 (3) A video lottery game operator or video lottery game retailer that fails to
291 report any known violation of law, rule, or regulation governing the conduct of video
292 lottery games in conformance with established commission procedures may be subject
293 to an administrative fine not to exceed five thousand dollars. In the event a video lottery
294 game operator or retailer is found to have knowingly committed a violation of law, rule,
295 or regulation governing the conduct of video lottery games, the commission may impose
296 an administrative fine not to exceed five thousand dollars, suspend such video lottery
297 game operator's or retailer's license for up to thirty days or, in the case of repeated
298 violations, revoke such operator's or retailer's license for a period of one year.

299 (4) Any video lottery game operator or retailer aggrieved by the commission's
300 decision in any disciplinary action that results in the suspension or revocation of such
301 video lottery game operator's or retailer's video lottery game license may appeal such
302 decision by filing an action directly in a circuit court of competent jurisdiction.
303 Notwithstanding any other provision of law to the contrary, there is no requirement to
304 exhaust any administrative remedies.

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

309 **13. Video lottery game operators shall pay the commission thirty-four percent of**
310 **the video lottery game adjusted gross receipts, which shall be deposited in the state**
311 **lottery fund. The commission shall use and transmit such funds as follows:**

312 **(1) The commission shall retain an amount necessary to cover any**
313 **administrative expenses that are not covered by reimbursements from video lottery**
314 **game operators;**

315 **(2) The commission shall transmit funds to municipalities and counties based on**
316 **the amount of tax revenue generated by each video lottery game terminal. The**
317 **commission shall identify the location, by municipality and county, of each video lottery**
318 **game terminal being operated in the state and connected to the centralized computer**
319 **system. Each municipality and county identified shall receive ten percent of the tax**
320 **revenue generated by the video lottery game terminals located within the boundaries of**
321 **the municipality and county for use in providing services necessary for the safety of the**
322 **public visiting a video lottery game terminal retailer's location. Such funds shall not be**
323 **considered state funds and shall be deposited in the general revenue fund of each**
324 **municipality and county to be expended as provided for herein; and**

325 **(3) All remaining funds shall be deposited in the state lottery fund and shall be**
326 **appropriated equally to public elementary and secondary education and public**
327 **institutions of higher education with an emphasis on funding elementary and**
328 **secondary education student transportation costs and public institutions of higher**
329 **education workforce development programs. The funding provided for in this**
330 **subdivision shall supplement, and not supplant, any education funding otherwise**
331 **appropriated by the general assembly.**

332 **14. All revenues received by the commission from license fees and any**
333 **reimbursements associated with the administration of the provisions of sections 313.425**
334 **to 313.437, and all interest earned thereon, shall be considered administrative expenses**
335 **and shall be deposited in the state lottery fund. Moneys deposited into the state lottery**
336 **fund from license fees and any reimbursements of commission administrative expenses**
337 **to administer sections 313.425 to 313.437 shall be considered administrative expenses**
338 **and shall not be considered net proceeds under Article III, Section 39(b) of the**
339 **Constitution of Missouri. Subject to appropriation, up to one percent of such license**
340 **fees shall be deposited to the credit of the compulsive gamblers fund created under**
341 **section 313.842. The remainder of the moneys deposited in the state lottery fund from**
342 **video lottery game license fees and any reimbursements of commission administrative**
343 **expenses to enforce sections 313.425 to 313.437 shall be used for administrative expenses**
344 **associated with supervising and enforcing the provisions of sections 313.425 to 313.437.**

345 **15. The commission shall contract with a state law enforcement entity to assist in**
346 **conducting background investigations of video lottery game license applicants, and for**
347 **the enforcement of sections 313.425 to 313.437.**

348 **16. A video lottery game licensee found to have violated sections 313.425 to**
349 **313.437 may appeal such finding directly to a circuit court of competent jurisdiction.**
350 **Notwithstanding any other provision of law to the contrary, there is no requirement to**
351 **exhaust any administrative remedies.**

352 **17. The commission shall adopt rules for the implementation of the video lottery**
353 **game system authorized under sections 313.425 to 313.437 including, but not limited to,**
354 **the placement of video lottery game terminals within a retail establishment and for the**
355 **active oversight of the conduct of video lottery games. Any rule or portion of a rule, as**
356 **that term is defined in section 536.010, that is created under the authority delegated in**
357 **this section shall become effective only if it complies with and is subject to all of the**
358 **provisions of chapter 536 and, if applicable, section 536.028. This section and chapter**
359 **536 are nonseverable and if any of the powers vested with the general assembly**
360 **pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul**
361 **a rule are subsequently held unconstitutional, then the grant of rulemaking authority**
362 **and any rule proposed or adopted after August 28, 2025, shall be invalid and void.**

313.431. 1. In order to expedite the orderly implementation of the video lottery
2 **game system authorized under sections 313.425 to 313.437, the commission shall:**

3 **(1) Contract for the supply and operation of a centralized computer system for**
4 **video lottery games no later than three hundred sixty-five days after the effective date of**
5 **sections 313.425 to 313.437;**

6 **(2) Make license applications for video lottery game manufacturers, video**
7 **lottery game distributors, video lottery game operators, video lottery game retailers,**
8 **and video lottery game handlers available to applicants and accept such applications**
9 **and promulgate any emergency or regular rules and regulations needed for the**
10 **implementation of the video lottery game system authorized under sections 313.425 to**
11 **313.437 no later than three hundred sixty-five days after the effective date of sections**
12 **313.425 to 313.437;**

13 **(3) Issue an approved form for persons applying for a video lottery game**
14 **terminal operator's license available for use in contracting with a video lottery game**
15 **retailer no later than three hundred sixty-five days after the effective date of sections**
16 **313.425 to 313.437;**

17 **(4) Establish a start date for when all initial video lottery game operator**
18 **licensees may begin soliciting contracts with video lottery game retailers for the**
19 **placement of video lottery game terminals. No licensee shall be allowed to solicit**

20 contracts prior to the established start date. Such start date shall be set no more than
21 one hundred eighty days after the last video lottery game operator's application received
22 in the first year after the implementation of sections 313.425 to 313.437 is approved by
23 the commission;

24 (5) Approve or deny any completed video lottery game retailer application or
25 video lottery game operator application no more than ninety days after such application
26 is received. For all such applications received in the first year after the implementation
27 of sections 313.425 to 313.437, applications shall be approved or denied at least thirty
28 days prior to the start date established in subdivision (4) of this subsection; and

29 (6) Establish a date by which the system of video lottery game terminals shall be
30 operational. The operational date shall be set no more than one hundred eighty days
31 after the start date established in subdivision (4) of this subsection.

32 2. The commission shall implement sections 313.425 to 313.437. Any person
33 seeking to be licensed under sections 313.425 to 313.437 shall have a private right of
34 action if the commission fails to meet any deadlines under sections 313.425 to 313.437.
35 Such person shall initiate an action in the circuit court of Cole County no more than
36 thirty days after the commission's failure to meet such deadline.

313.433. Notwithstanding any other provision of law to the contrary,
2 participation by a person, firm, corporation, or organization in any aspect of the
3 state lottery under sections 313.425 to 313.437 shall not be construed to be a lottery or
4 gift enterprise in violation of Article III, Section 39 of the Constitution of Missouri.

313.434. 1. The state of Missouri shall be exempt from the provisions of 15
2 U.S.C. Section 1172, as amended.

3 2. All shipments of gaming devices used to conduct video lottery games
4 authorized under sections 313.425 to 313.437 to licensees, the registering, recording, and
5 labeling of which have been completed by the manufacturer or distributor thereof in
6 accordance with 15 U.S.C. Sections 1171 to 1178, as amended, shall be legal shipments of
7 gambling devices into this state.

313.435. 1. Any municipality or county ordinance implemented prior to August
2 28, 2025, prohibiting or restricting video lottery game terminals is deemed invalid and
3 shall not be enforced to prohibit or restrict video lottery game terminals in such
4 municipality or county.

5 2. A municipality is prohibited from adopting any ordinance prohibiting or
6 restricting video lottery game terminals within the limits of such municipality until one
7 year after the operational date as set forth in subdivision (6) of subsection 1 of section
8 313.431.

9 **3. A county commission for the unincorporated area of the county is prohibited**
10 **from adopting any ordinance prohibiting or restricting video lottery game terminals**
11 **within the unincorporated area until one year after the operational date established**
12 **under subdivision (6) of subsection 1 of section 313.431.**

13 **4. Any municipality or county adopting an ordinance that prohibits or restricts**
14 **the licensing of video lottery game retailers shall notify the commission of such action**
15 **and provide a certified copy of such ordinance to the commission. Upon receiving such**
16 **notification and ordinance, the commission shall not license video lottery game retailers**
17 **within such area covered by such municipal or county ordinance.**

18 **5. If any such municipality or county that has opted to prohibit or restrict the**
19 **use of video lottery game terminals to play video lottery games repeals such ordinance,**
20 **the municipality or county shall notify the commission, and upon notification of the**
21 **repeal, the commission may license video lottery game retailers within such municipality**
22 **or county to conduct video lottery games.**

313.437. 1. Notwithstanding any other provision of law to the contrary, no
2 **person shall enter into any contract, agreement, or otherwise for the sale, use, license, or**
3 **operation of no-chance game machines, coin-operated amusement devices, or any other**
4 **similar device after August 28, 2025.**

5 **2. Notwithstanding any other provision of law to the contrary, any contract,**
6 **agreement, or otherwise, whether oral or written, for the sale, use, license, or operation**
7 **of no-chance game machines shall continue in force and shall not be invalidated due to**
8 **the passage of sections 313.425 to 313.437, provided that the owner of such no-chance**
9 **game machines requests and receives a permit sticker from the commission for each no-**
10 **chance game machine owned and operating in the state of Missouri. An owner of no-**
11 **chance game machines shall have sixty days to submit such request after the public**
12 **release of the request form by the commission.**

13 **3. The commission shall provide a form to request permit stickers for no-chance**
14 **gaming machines. The form shall request only the following:**

15 **(1) The name and address of the owner of the no-chance game machines;**

16 **(2) The number of permit stickers requested;**

17 **(3) An attestation from the owner of the no-chance game machines that the**
18 **machines meet the definition of no-chance game machines in sections 313.425 to**
19 **313.437; and**

20 **(4) A certificate from a third party game analysis and testing laboratory**
21 **certifying that the no-chance game machines comply with the specifications in sections**
22 **313.425 to 313.437.**

23 **4. The commission shall charge a fee of twenty-five dollars for each permit**
24 **sticker issued.**

25 **5. If the commission receives a completed form and a fee from the owner of no-**
26 **chance game machines, the commission shall issue permit stickers within ten days of**
27 **receipt.**

28 **6. The commission shall not decline to issue a permit sticker as long as the**
29 **commission receives a completed form and the appropriate fee.**

30 **7. Nothing in sections 313.425 to 313.437 shall be construed to prohibit or bar**
31 **the issuance of any license described therein to an applicant on the basis of that**
32 **applicant's operation, handling, leasing, licensing, servicing, or placing of no-chance**
33 **game machines, except that any video lottery game retailer shall attest, on a form**
34 **provided by the commission, that the video lottery game retailer does not have any no-**
35 **chance game machines operating in the retail establishment. This form shall be**
36 **submitted no later than forty-eight hours after the placement and operation of any video**
37 **lottery game terminals in the retail establishment.**

38 **8. The expiration of any permit sticker shall occur at the earlier of either:**

39 **(1) The expiration of the forty-eight-hour notice required under subsection 7 of**
40 **this section if the permit sticker is affixed to a no-chance game machine located at a**
41 **video lottery game retailer that intends to have video lottery game terminal games; or**

42 **(2) One hundred eighty days after the operational date as set forth in subdivision**
43 **(6) of subsection 1 of section 313.431.**

44 **9. The commission shall develop and make publicly available all forms required**
45 **by this section no later than sixty days after the effective date of sections 313.425 to**
46 **313.437.**

47 **10. If any provision of sections 313.425 to 313.437 or the application thereof to**
48 **anyone or to any circumstance is held invalid, the remainder of those sections and the**
49 **application of such provisions to others or other circumstances shall not be affected**
50 **thereby.**

572.010. As used in this chapter the following terms mean:

2 (1) "Advance gambling activity", a person advances gambling activity if, acting other
3 than as a player, he or she engages in conduct that materially aids any form of gambling
4 activity. Conduct of this nature includes but is not limited to conduct directed toward the
5 creation or establishment of the particular game, lottery, contest, scheme, **gambling device**,
6 device or activity involved, toward the acquisition or maintenance of premises, paraphernalia,
7 equipment or apparatus therefor, toward the solicitation or inducement of persons to
8 participate therein, toward the actual conduct of the playing phases thereof, toward the
9 arrangement or communication of any of its financial or recording phases, or toward any

10 other phase of its operation. A person advances gambling activity if, having substantial
11 proprietary control or other authoritative control over premises being used with his or her
12 knowledge for purposes of gambling activity, he or she permits that activity to occur or
13 continue or makes no effort to prevent its occurrence or continuation. The supplying,
14 servicing and operation of a licensed excursion gambling boat under sections 313.800 to
15 313.840 does not constitute advancing gambling activity. **The owning, operating,**
16 **supplying, or servicing of video lottery game terminals under sections 313.425 to**
17 **313.437 does not constitute advancing gambling activity;**

18 (2) "Bookmaking", advancing gambling activity by unlawfully accepting bets from
19 members of the public as a business, rather than in a casual or personal fashion, upon the
20 outcomes of future contingent events;

21 (3) "Contest of chance", any contest, game, gaming scheme, or ~~[gaming]~~ **gambling**
22 device in which the outcome ~~[depends in a material degree upon an]~~ **of the contest is**
23 **determined by any** element of chance, notwithstanding that the skill of the contestants may
24 also be a factor therein;

25 (4) "Gambling", a person engages in gambling when:

26 (a) He or she **operates, plays, or participates in the operation of a gambling**
27 **device; or**

28 (b) **He or she** stakes or risks something of value upon the outcome of a contest of
29 chance or a future contingent event not under his or her control or influence, upon an
30 agreement or understanding that he or she will receive something of value in the event of a
31 certain outcome.

32

33 Gambling does not include bona fide business transactions valid under the law of contracts,
34 including but not limited to contracts for the purchase or sale at a future date of securities or
35 commodities, and agreements to compensate for loss caused by the happening of chance,
36 including but not limited to contracts of indemnity or guaranty and life, health or accident
37 insurance; nor does gambling include playing an amusement device that confers only an
38 immediate right of replay not exchangeable for something of value. Gambling does not
39 include any licensed activity, or persons participating in such games which are covered by
40 sections 313.800 to 313.840. **Gambling does not include any licensed activity or persons**
41 **participating in such licensed activity, licensed video lottery game terminals, or video**
42 **lottery games under sections 313.425 to 313.437;**

43 (5) "Gambling device", any device, machine, paraphernalia or equipment that is used
44 or usable in the playing phases of any gambling activity, whether that activity consists of
45 gambling between persons or gambling by a person with a machine. However, lottery tickets,

46 policy slips and other items used in the playing phases of lottery and policy schemes are not
47 gambling devices within this definition;

48 (6) "Gambling record", any article, instrument, record, receipt, ticket, certificate,
49 token, slip or notation used or intended to be used in connection with unlawful gambling
50 activity;

51 (7) "Lottery" or "policy", an unlawful gambling scheme in which for a consideration
52 the participants are given an opportunity to win something of value, the award of which is
53 determined by chance;

54 (8) "Player", a person who engages in any form of gambling solely as a contestant or
55 bettor, without receiving or becoming entitled to receive any profit therefrom other than
56 personal gambling winnings, and without otherwise rendering any material assistance to the
57 establishment, conduct or operation of the particular gambling activity. A person who
58 gambles at a social game of chance on equal terms with the other participants therein does not
59 otherwise render material assistance to the establishment, conduct or operation thereof by
60 performing, without fee or remuneration, acts directed toward the arrangement or facilitation
61 of the game, such as inviting persons to play, permitting the use of premises therefor and
62 supplying cards or other equipment used therein. A person who engages in "bookmaking" as
63 defined in subdivision (2) of this section is not a player;

64 (9) "Professional player", a player who engages in gambling for a livelihood or who
65 has derived at least twenty percent of his or her income in any one year within the past five
66 years from acting solely as a player;

67 (10) "Profit from gambling activity", a person profits from gambling activity if, other
68 than as a player, he or she accepts or receives money or other property pursuant to an
69 agreement or understanding with any person whereby he participates or is to participate in the
70 proceeds of gambling activity;

71 ~~(11) ["Slot machine", a gambling device that as a result of the insertion of a coin or
72 other object operates, either completely automatically or with the aid of some physical act by
73 the player, in such a manner that, depending upon elements of chance, it may eject something
74 of value. A device so constructed or readily adaptable or convertible to such use is no less a
75 slot machine because it is not in working order or because some mechanical act of
76 manipulation or repair is required to accomplish its adaptation, conversion or workability.
77 Nor is it any less a slot machine because apart from its use or adaptability as such it may also
78 sell or deliver something of value on a basis other than chance]~~ "Slot machine" or
79 "gambling device", an electronic, computerized, or mechanical machine, terminal, or
80 other similar device that:

81 (a) Requires the direct or indirect insertion of any form of consideration, coin,
82 currency, ticket, token, electronic token or currency, or other similar object, or the

83 **depositing any form of consideration with the owner or operator of such slot machine or**
 84 **gambling device to operate the device;**

85 **(b) Offers, operates, or plays a contest or game, either completely automatically**
 86 **or with the aid of some physical act by the player, the outcome of which is determined by**
 87 **any element of chance, regardless of whether the outcome may also be partially or**
 88 **predominantly determined by the skill of the player, and regardless of whether the**
 89 **outcome may be partially or completely revealed to the player before or during play of**
 90 **the slot machine or gambling device; and**

91 **(c) May award to the player an award, prize, or something of value, whether the**
 92 **payoff is made automatically from the gambling device or manually.**

93

94 **A device so constructed or readily adaptable or convertible to such use is no less a slot**
 95 **machine or gambling device because it is not in working order or because some**
 96 **mechanical act of manipulation or repair is required to accomplish its adaptation,**
 97 **conversion, or workability. Nor is it any less a slot machine or gambling device because**
 98 **apart from its use or adaptability as such it may also sell or deliver something of value**
 99 **on a basis other than chance;**

100 (12) "Something of value", any money or property, any token, object or article
 101 exchangeable for money or property, or any form of credit or promise directly or indirectly
 102 contemplating transfer of money or property or of any interest therein or involving extension
 103 of a service, entertainment or a privilege of playing at a game or scheme without charge;

104 (13) "Unlawful", not specifically authorized by law.

572.020. 1. A person commits the offense of gambling if he or she knowingly
 2 engages in gambling.

3 2. The offense of gambling is a class ~~C misdemeanor unless:~~

4 ~~(1) It is committed by a professional player, in which case it is a class A~~
 5 ~~misdemeanor; or~~

6 ~~(2) The person knowingly engages in gambling with a child less than seventeen years~~
 7 ~~of age, in which case it is a class B misdemeanor] E felony.~~

572.070. 1. A person commits the offense of possession of a gambling device if, with
 2 knowledge of the character thereof, he or she manufactures, sells, transports, places or
 3 possesses, or conducts or negotiates any transaction affecting or designed to affect ownership,
 4 custody or use of:

5 (1) A slot machine **or gambling device;** or

6 (2) Any other gambling device, knowing or having reason to believe that it is to be
 7 used in the state of Missouri in the advancement of unlawful gambling activity.

8 2. The offense of possession of a gambling device is a class ~~[A misdemeanor]~~ **E**
9 **felony**.

 572.100. **1.** The general assembly by enacting this chapter intends to preempt any
2 other regulation of the area covered by this chapter. No governmental subdivision or agency
3 may enact or enforce a law that regulates or makes any conduct in the area covered by this
4 chapter an offense, or the subject of a criminal or civil penalty or sanction of any kind.

5 **2.** The term "gambling", as used in this chapter, does not include licensed activities
6 under sections 313.800 to 313.840, **and does not include licensed activities under sections**
7 **313.425 to 313.437.**

✓