

FIRST REGULAR SESSION
[PERFECTED WITH PERFECTING AMENDMENT]
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 970

103RD GENERAL ASSEMBLY

0968H.02D

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal sections 43.050, 313.820, 572.010, 572.015, and 572.100, RSMo, and to enact in lieu thereof fifteen new sections relating to gaming regulations, with penalty provisions.

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

Section A. Sections 43.050, 313.820, 572.010, 572.015, and 572.100, RSMo, are
2 repealed and fifteen new sections enacted in lieu thereof, to be known as sections 27.180,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, 313.820,
4 572.010, 572.015, 572.100, and 650.930, 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 subdivision (3) of subsection 3 of section 313.429 or other funds
4 so appropriated. The state treasurer shall be custodian of the fund. In accordance with
5 sections 30.170 and 30.180, the state treasurer may approve disbursements. Moneys in
6 the fund shall be used by the attorney general, prosecutors, and law enforcement to
7 investigate, enforce, charge, and prosecute violations of chapter 572. Notwithstanding
8 the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the
9 end of the biennium shall not revert to the credit of the general revenue fund. The state
10 treasurer shall invest moneys in the fund in the same manner as other funds are
11 invested. Any interest and moneys earned on such investments shall be credited to the
12 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) "Adjusted gross gaming revenue", the amount of revenue generated by a**
3 **video lottery game terminal that is remaining after:**

4 **(a) Payments of winning to players; and**

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

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

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

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

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

19 (6) "Use agreement", a contract executed by and between a video lottery
20 terminal operator and a video lottery terminal retailer approved by the commission
21 containing minimum terms and conditions determined by the commission establishing
22 the right of the video lottery terminal operator to place and operate video lottery
23 terminals on the premises of a video lottery terminal retailer;

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

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

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

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

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

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

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

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

55 **(13) "Video lottery game terminal or Electronic gaming machine", any device**
56 **that through an electronic, mechanical, or electromechanical process, including through**
57 **the use of any application, software, or other system that accepts legal tender or other**
58 **forms of digital currency to play, and through which is used to generate a prize of**
59 **money or form of credit that can be redeemed for money or another form of monetary**
60 **payment that is presented to the user by a set or combination of alphanumeric symbols**
61 **or lines of symbols that determine the amount of the prize, regardless of the operating**
62 **system that determined the prize. Electronic gaming machines, with the exception of**
63 **those operated under section 313.800, shall be regulated by the Missouri lottery**
64 **commission. All other forms of electronic gaming machines that are not regulated by**
65 **the commission or bear the commission's seal are not legal under the definition of a slot**
66 **machine in section 572.010;**

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

70 **(15) "Video lottery game ticket" or "ticket", a document printed at the**
71 **conclusion of any video lottery game play or group of plays that is redeemable for cash,**
72 **utilizing a video lottery game ticket redemption terminal, or that may be reinserted into**
73 **a video lottery game terminal located in the video lottery game retailer from which such**
74 **ticket was issued for video lottery game terminal credit;**

75 **(16) "Video lottery game ticket redemption terminal", the collective hardware,**
76 **software, communications technology, and other ancillary equipment used to facilitate**

77 the payment of tickets cashed out by players as a result of playing a video lottery game
78 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 and video lottery games shall meet independent
24 testing standards approved by the commission, as tested by one or more licensed
25 independent test labs. The commission shall promulgate rules for minimum standards
26 for video lottery game terminals operating in the state. Such minimum standards shall
27 include:

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

30 (2) Video lottery game terminals and video lottery games shall theoretically pay
31 out a mathematically demonstrable percentage during the expected lifetime of the
32 machine of all amounts played, which shall not be less than eighty percent. The
33 commission shall establish a maximum payout percentage for approved models by rule.
34 Video lottery game terminals that may be affected by skill shall meet this standard when

35 using a method of play that will provide the greatest return to the player over a period
36 of continuous play;

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

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

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

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

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

53 (8) Video lottery game terminals shall have the capacity to display complete play
54 history including, but not limited to, outcome, intermediate play steps, credits available,
55 bets placed, credits paid, and credits cashed out, for the most recent game played and
56 ten games played immediately prior thereto;

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

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

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

68 (12) Video lottery game terminals shall have accounting software that keeps an
69 electronic record of information including, but not limited to, total cash inserted, value
70 of winning tickets claimed by players, total credits played, total credits awarded by a

71 video lottery game terminal, and payback percentage credited to players of each video
72 lottery game;

73 (13) Video lottery game terminals shall be capable of issuing and accepting
74 tickets for play, commonly known as ticket-in, ticket-out. Video lottery game terminals
75 shall not directly dispense anything of value except for tickets representing credits
76 purchased or won on a video lottery game terminal. The ticket shall indicate the total
77 amount of award, the time of day in a twenty-four-hour format showing hours and
78 minutes, the date, the video lottery game terminal serial number, the sequential number
79 of the ticket, and an encrypted validation number from which the validity of the prize
80 may be determined; and

81 (14) Video lottery game terminals and redemption terminals shall be connected
82 to a centralized computer system developed or procured by the commission. The
83 commission shall provide licensed video lottery game operators with the necessary
84 protocols to connect video lottery game terminals to the centralized computer system
85 after such terminals have been approved by the commission. No video lottery game
86 terminal shall be placed in operation without first connecting to the centralized
87 computer system.

88 3. (1) The commission may impose an initial nonrefundable administrative
89 license application fee that shall be submitted when the application is filed and deposited
90 in the state lottery fund as follows:

91 (a) For video lottery game manufacturers and video lottery game distributors,
92 twenty-five thousand dollars;

93 (b) For video lottery game operators, fifty thousand dollars;

94 (c) For video lottery game retailer establishments, one thousand dollars for each
95 video lottery game retailer's establishment; and

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

97 (2) The initial license shall be for a period of one year. Thereafter, license
98 renewal periods shall be four years with the applicable renewal fee paid in advance for
99 each year of such license renewal. Annual license renewal fees for anyone licensed
100 pursuant to this subsection, and subsequent to the initial one-year period, shall be as
101 follows:

102 (a) Five thousand dollars for video lottery game manufacturers and video lottery
103 game distributors;

104 (b) Fifty thousand dollars for video lottery game operators;

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

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

107 **(3) In addition to any other fees imposed by sections 313.425 to 313.437, an**
108 **annual administrative fee of one thousand dollars shall be paid for each video lottery**
109 **game terminal placed in service, and shall be deemed an administrative fee on the device**
110 **itself and not on the operation or play thereof. Such annual administrative fee shall be**
111 **equally divided and paid by the video lottery game operator and the video lottery game**
112 **retailer to the commission once a year. The commission shall deposit two hundred**
113 **dollars of the fee in the state lottery fund. The remaining eight hundred dollars of such**
114 **fee shall not be considered state revenues and shall be paid as follows:**

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

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

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

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

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

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

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

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

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

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

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

147 **(5) A prohibition on the assignment of the agreement from or to any person**
148 **except from a video lottery game terminal operator to another video lottery game**
149 **terminal operator or from a video lottery game retailer to another video lottery game**
150 **retailer;**

151 **(6) A release of the video lottery game terminal retailer from any continuing**
152 **contractual obligation to the video lottery game terminal operator if the video lottery**
153 **game terminal operator has its license revoked or denied, has its renewal denied, or**
154 **surrenders its license;**

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

157 **(8) Provisions approved by the commission.**

158 **5. No video game lottery retailer shall enter into an use agreement with more**
159 **than one video lottery game operator at any time. Only upon termination of an use**
160 **agreement with a video lottery game operator may a video lottery game retailer enter**
161 **into a new use agreement with a different video lottery game operator.**

162 **6. All licensees shall remain subject to all income taxes, sales taxes, and use taxes**
163 **lawfully assessed by this state, or any municipality, county, or other political subdivision**
164 **of this state; provided, however, that a municipality, county, or other political**
165 **subdivision of this state shall not impose, levy, collect, or assess any license**
166 **requirement, tax, or fee including, but not limited to, any permit tax or fee, sticker**
167 **fee, occupation tax or fee, amusement tax or fee, or taxes or fees upon the play, use,**
168 **ownership, lease, placement, operation, repair, service, transportation, or storage of any**
169 **video lottery game terminal, video lottery game, video lottery game terminal**
170 **manufacturer, video lottery game terminal distributor, video lottery game terminal**
171 **operator, or video lottery game terminal retailer.**

172 **7. (1) Video lottery game terminals shall be inspected and approved by the**
173 **commission prior to being sold, leased, or transferred.**

174 **(2) Licensed video lottery game manufacturers may buy, sell, or lease new or**
175 **refurbished video lottery game terminals to and from licensed video lottery game**
176 **distributors and video gaming operators.**

177 **(3) Licensed video lottery game distributors may buy, sell, or lease new or**
178 **refurbished video lottery game terminals to or from licensed video lottery game**
179 **manufacturers or licensed video lottery game operators.**

180 **(4) Video lottery game ticket redemption terminals shall meet independent**
181 **testing standards approved by the commission. Notwithstanding any other provision of**
182 **law to the contrary, any video lottery game operator that owns or leases video lottery**
183 **ticket redemption terminals prior to the operational date established in subdivision (6)**
184 **of subsection 1 of section 313.431 may use or sell such video lottery ticket redemption**
185 **terminals pursuant to the terms of sections 313.425 to 313.437. The commission shall**
186 **approve for use and sale any ticket redemption terminal that is in operation and meets**
187 **the requirements of sections 313.425 to 313.437, or that has been approved by another**
188 **state for operation for use as part of that state's video lottery game system.**

189 **8. (1) Licensed video lottery game operators:**

190 **(a) May buy, lease, or rent video lottery game terminals from licensed video**
191 **lottery game manufacturers or distributors;**

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

193 **(c) Shall connect such video lottery game terminals to the centralized computer**
194 **system approved by the commission.**

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

202 **(3) A video lottery game terminal operator shall not be, directly or indirectly, a**
203 **landlord or lessor of real property to a video lottery game retailer. No lease of real**
204 **property may contain a provision requiring any sharing or splitting of net terminal**
205 **income, or any method of rent calculation using a percentage of net terminal income, or**
206 **any other similar provision or method for the determination or calculation of any rent**
207 **concession, or other charge by a lessor to a lessee.**

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

214 **(b) No video lottery game operator or video lottery game retailer shall pay**
215 **compensation or any other valuable consideration to any third party for the solicitation,**

216 procurement, execution, or delivery of any contract or agreement with a video lottery
217 game operator or video lottery game retailer, except as approved by the commission.

218 (5) Agreements for the initial or continued placement of video lottery game
219 terminals entered into prior to the start date established under section 313.431 between
220 a prospective video lottery game operator and a prospective video lottery game retailer
221 shall be invalid.

222 9. (1) To combat problem gambling, video lottery game operators shall allow
223 players to be self-excluded from video lottery game play. Operators shall provide the
224 commission with a list of players who have elected to be excluded from video lottery
225 game play within thirty days of such election and shall update such list periodically as
226 required by the commission. Such list shall be a closed record under chapter 610 and
227 shall not be released to the public. The commission shall issue such self-exclusion
228 procedures by rule.

229 (2) Notwithstanding any other provision of law to the contrary, a video lottery
230 game operator may establish a player rewards system, which shall be approved by the
231 commission. No player shall be required to enroll in a rewards program offered by a
232 video lottery game operator as a condition to play video lottery games.

233 10. No licensed video lottery game operator shall:

234 (1) Offer video lottery game terminals that directly dispense anything of value
235 except for video lottery game tickets. Tickets shall be dispensed by pressing the ticket
236 dispensing button on the video lottery game terminal at the end of any video lottery
237 game play. The ticket shall indicate the total amount of video lottery game terminal
238 credits and the cash award, the time of day in a twenty-four-hour format showing hours
239 and minutes, the date, the terminal serial number, the sequential number of the ticket,
240 and an encrypted validation number from which the validity of the prize may be
241 determined. The price of video lottery game terminal credits shall be determined by the
242 commission. The maximum wager played per video lottery game for a single video
243 lottery game play shall not exceed four dollars. The maximum prize for a single video
244 lottery game play shall be no more than one dollar less than the minimum amount
245 required to report gambling winnings from slot machines pursuant to IRS Form W2G
246 and IRS Form 5754;

247 (2) Operate more than eight video lottery game terminals per location on the
248 premises that maintains a video lottery game retailer's license;

249 (3) Advertise to the public through any means including, but not limited to,
250 media outlets, direct mail, telephone solicitation, billboards, or other signage. The
251 advertising prohibition contained in this subdivision shall apply to all licensees
252 including, but not limited to, video lottery game manufacturers, video lottery game

253 distributors, video lottery game operators, video lottery game retailers, and video
254 lottery game handlers. Notwithstanding any other provision of law to the contrary,
255 there is no prohibition or restriction on direct or indirect marketing or advertising
256 between video lottery game manufacturers, video lottery game distributors, video
257 lottery game operators, video lottery game retailers, and video lottery game handlers
258 such as in trade journals or at trade conferences, and video lottery game terminal
259 operators may advertise, promote, and market to players of video gaming terminals
260 through player rewards programs approved by the commission; or

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

263 11. (1) No person under twenty-one years of age shall play video lottery games.
264 The video lottery game retailer shall be responsible for preventing persons under
265 twenty-one years of age from playing video lottery games.

266 (2) Video lottery game operators shall have a video surveillance system within
267 the immediate area of the video lottery game retailer's establishment where video lottery
268 game terminals are located. The video lottery game retailer shall maintain video footage
269 for thirty days and shall, upon request, provide such footage to the video lottery game
270 operator with which a video lottery game retailer has an agreement or to the
271 commission. Video footage taken by the video surveillance system shall:

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

274 (b) Not make use of any facial recognition technology or software.

275 (3) A video lottery game operator or video lottery game retailer that fails to
276 report any known violation of law, rule, or regulation governing the conduct of video
277 lottery games in conformance with established commission procedures may be subject
278 to an administrative fine not to exceed five thousand dollars. In the event a video lottery
279 game operator or retailer is found to have knowingly committed a violation of law, rule,
280 or regulation governing the conduct of video lottery games, the commission may impose
281 an administrative fine not to exceed five thousand dollars, suspend such video lottery
282 game operator's or retailer's license for up to thirty days or, in the case of repeated
283 violations, revoke such operator's or retailer's license for a period of one year.

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

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

- 290 **(a) Payments to winning players;**
291 **(b) Collecting all funds from video lottery game terminals;**
292 **(c) Depositing all funds so collected into a separate bank account maintained by**
293 **the video lottery terminal operator to allow for electronic fund transfers by the**
294 **commission on a monthly basis all applicable adjusted gross gaming tax; and**
295 **(d) After such transfer by the commission, remitting to the video lottery game**
296 **retailer its share of net terminal income on not less than a monthly basis. The video**
297 **lottery game operator may thereafter transfer its share of net terminal income to its**
298 **business operations account.**
- 299 **(6) A video lottery game retailer or operator shall place a conspicuous warning**
300 **label or sticker on each gaming machine at each retail location in red lettering at least**
301 **one-half inch high on white background that reads, "WARNING: GAMBLING CAN**
302 **BE ADDICTIVE".**
- 303 **12. The adjusted gross gaming revenue tax shall be imposed on adjusted gross**
304 **gaming revenue. Video lottery terminal operators shall collect and remit the adjusted**
305 **gross gaming revenue tax, which shall be deposited in the state lottery fund pursuant to**
306 **rules adopted by the commission. The commission shall use and transmit such funds as**
307 **follows:**
- 308 **(1) The commission shall retain an amount necessary to cover any**
309 **administrative expenses that are not covered by reimbursements from video lottery**
310 **game operators, less the amount to be distributed pursuant to subdivision (2) of this**
311 **section, which shall not be considered state revenues and such funds shall not be**
312 **deposited into the state lottery fund;**
- 313 **(2) The commission shall adopt rules to identify the location, by city and county,**
314 **of each video lottery terminal being operated in the state and connected to the central**
315 **control system. Such city or county so identified shall receive ten percent of the gross**
316 **gaming revenue tax collected and remitted on the adjusted gross gaming revenue**
317 **generated by those video lottery terminals located within the jurisdiction of such**
318 **identified city or county for use in providing services necessary for the safety of the**
319 **public visiting a video lottery terminal retailer's location. All revenue owed to such city**
320 **or county shall be deposited and distributed to such city or county in accordance with**
321 **rules adopted by the commission. All governing bodies of any city or county shall not be**
322 **considered state funds and shall be deposited in such city or county's general revenue**
323 **fund to be expended as provided for in this section;**
- 324 **(3) All remaining funds not allocated for administrative expenses or not**
325 **designated as state revenue pursuant to subdivision (2) of this subsection shall be**
326 **deposited in the state lottery fund and transferred by appropriation to the lottery**

327 proceeds fund and shall be appropriated equally to public elementary and secondary
328 education and public institutions of higher learning with an emphasis on funding
329 elementary and secondary education student transportation costs and public institutions
330 of higher education workforce development programs. The funding provided for in this
331 subdivision shall supplement, and not supplant, any education funding otherwise
332 appropriated by the general assembly.

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

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

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

353 16. The commission shall adopt rules for the implementation of the video lottery
354 game system authorized under sections 313.425 to 313.437 including, but not limited to,
355 a reasonable designation of an area within a video lottery game retailer's premises as the
356 gaming area that is distinct and divided from the primary business operation area of the
357 retailers establishment where all video lottery terminals and ancillary equipment shall
358 be placed and operated and all gaming activity shall be conducted. Any rule or portion
359 of a rule, as that term is defined in section 536.010, that is created under the authority
360 delegated in this section shall become effective only if it complies with and is subject to
361 all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
362 chapter 536 are nonseverable and if any of the powers vested with the general assembly
363 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul

364 a rule are subsequently held unconstitutional, then the grant of rulemaking authority
365 and any rule proposed or adopted after August 28, 2025, shall be invalid and void.

313.431. 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 one hundred eighty 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 one hundred eighty days after the effective date of sections 313.425
12 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 one hundred eighty days after the effective date of sections 313.425
16 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. The
29 operating of a no-chance game shall not be cause for denial of a VLT operator's or
30 retailer's license; and

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

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. A municipality may adopt an ordinance permitting video lottery
2 game terminals within the corporate limits of such municipality within one hundred
3 eighty days from the effective date of this act. Such municipality shall notify the
4 commission of the ordinance within seven days of passage. A municipality that has
5 adopted such an ordinance may at any time thereafter adopt an ordinance prohibiting
6 video lottery game terminals within the corporate limits of such municipality.

7 2. A county commission may, for the unincorporated area of the county, adopt
8 an ordinance permitting video lottery game terminals within the unincorporated area of
9 the county within one hundred eighty days from the effective date of this act. Such
10 county shall notify the commission of the ordinance within seven days of passage. A
11 county commission that has adopted such an ordinance may at any time thereafter
12 adopt an ordinance prohibiting video lottery game terminals within the unincorporated
13 area of the county.

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

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

313.437. Nothing in sections 313.425 to 313.437 shall be construed to prohibit or
2 bar the issuance of any license described therein to an applicant on the basis of that
3 applicant's operation, handling, leasing, licensing, servicing, or placing of machines or
4 devices used for amusement purposes, except that any video lottery game retailer shall
5 attest, on a form provided by the commission, that the video lottery game retailer does

6 **not have any machines or devices operating in the retail establishment where winning**
7 **game plays result in a cash payout. This form shall be submitted no later than forty-**
8 **eight hours after the placement and operation of any video lottery game terminals in the**
9 **retail establishment.**

313.820. 1. An excursion boat licensee shall pay to the commission an admission fee
2 of ~~two~~ **four** dollars for each person embarking on an excursion gambling boat with a ticket
3 of admission. One dollar of such fee shall be deposited to the credit of the gaming
4 commission fund as authorized pursuant to section 313.835, **two dollars of such fee shall be**
5 **transferred to the Missouri veterans commission as established under section 42.007,**
6 and one dollar of such fee shall not be considered state funds and shall be paid to the home
7 dock city or county. Subject to appropriation, one cent of such fee deposited to the credit of
8 the gaming commission fund may be deposited to the credit of the compulsive gamblers fund
9 created pursuant to the provisions of section 313.842. Nothing in this section shall preclude
10 any licensee from charging any amount deemed necessary for a ticket of admission to any
11 person embarking on an excursion gambling boat. If tickets are issued which are good for
12 more than one excursion, the admission fee shall be paid to the commission for each person
13 using the ticket on each excursion that the ticket is used. If free passes or complimentary
14 admission tickets are issued, the excursion boat licensee shall pay to the commission the same
15 fee upon these passes or complimentary tickets as if they were sold at the regular and usual
16 admission rate; however, the excursion boat licensee may issue fee-free passes to actual and
17 necessary officials and employees of the licensee or other persons actually working on the
18 excursion gambling boat. The issuance of fee-free passes is subject to the rules of the
19 commission, and a list of all persons to whom the fee-free passes are issued shall be filed with
20 the commission.

21 2. All licensees are subject to all income taxes, sales taxes, earnings taxes, use taxes,
22 property taxes or any other tax or fee now or hereafter lawfully levied by any political
23 subdivision; however, no other license tax, permit tax, occupation tax, excursion fee, or taxes
24 or fees shall be imposed, levied or assessed exclusively upon licensees by a political
25 subdivision. All state taxes not connected directly to gambling games shall be collected by
26 the department of revenue. Notwithstanding the provisions of section 32.057 to the contrary,
27 the department of revenue may furnish and the commission may receive tax information to
28 determine if applicants or licensees are complying with the tax laws of this state; however,
29 any tax information acquired by the commission shall not become public record and shall be
30 used exclusively for commission business.

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;

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

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

22 (4) "Gambling", a person engages in gambling when he or she stakes or risks
23 something of value upon the outcome of a contest of chance or a future contingent event not
24 under his or her control or influence, upon an agreement or understanding that he or she will
25 receive something of value in the event of a certain outcome.

26

27 Gambling does not include bona fide business transactions valid under the law of contracts,
28 including but not limited to contracts for the purchase or sale at a future date of securities or
29 commodities, and agreements to compensate for loss caused by the happening of chance,
30 including but not limited to contracts of indemnity or guaranty and life, health or accident
31 insurance; nor does gambling include playing an amusement device that confers only an
32 immediate right of replay not exchangeable for something of value. Gambling does not
33 include any licensed activity, or persons participating in such games which are covered by
34 sections 313.800 to 313.840;

35 (5) "Gambling device", any device, machine, paraphernalia or equipment that is used
36 or usable in the playing phases of any gambling activity, whether that activity consists of
37 gambling between persons or gambling by a person with a machine. However, lottery tickets,
38 policy slips and other items used in the playing phases of lottery and policy schemes are not
39 gambling devices within this definition;

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

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

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

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

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

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

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

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

572.015. Nothing in this chapter prohibits constitutionally authorized activities under Article III, Sections 39(a) to 39(f) of the Missouri Constitution, **including a raffle that uses tickets, devices, or machines in which a person buys game chances from a finite number of raffle draws for a prize, provided that it can be proven through the opinion of a qualified engineer from an independent testing laboratory accredited under ISO standard 17025 that the determination of the winner of the raffle using an electronic device or machine was the result of draws of numbered tickets in electronic form, from a finite deal thereof.**

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

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

650.930. 1. There is hereby established within the department of public safety the "Missouri Gaming Bureau". The Missouri gaming commission and the Missouri lottery commission may contract with the Missouri gaming bureau for assistance in criminal and regulatory investigations involving individuals, companies, and suppliers who are applying for licensure or who are conducting any activities under sections 313.800 to 313.850 or operations relating to video lottery games.

2. The director of the gaming bureau shall be a uniformed member of the Missouri state highway patrol who shall be appointed by the superintendent of the state highway patrol. The director shall be responsible for the administrative operations of the gaming bureau and shall perform such other duties as may be delegated or assigned to the director by the department of public safety. Members of the state highway patrol, pursuant to a memorandum of understanding with the state highway patrol, may provide services to the gaming bureau. The director may employ additional members to serve in the gaming bureau, provided that such persons are licensed peace officers under chapter 590 and have a minimum of six hundred hours of law enforcement training.

3. Members of the gaming bureau shall have full power and authority as are now or hereafter vested by law in peace officers when working with the bureau which shall include the power to enforce the rules of the gaming commission with respect to the gaming and lottery industry and the power to investigate violations occurring on the gaming floor and premises of casinos licensed under sections 313.800 to 313.850, violations by licensees of the lottery commission, and violations of chapter 572.

23 **4. Members of the gaming bureau shall be paid from funds designated as**
24 **administrative within the state lottery fund established under section 313.321 that were**
25 **generated from revenues received by the Missouri lottery commission from the sale of**
26 **Missouri lottery tickets and from license fees and reimbursements associated with the**
27 **regulation and operation of video lottery games in the state and from funds designated**
28 **as administrative within the gaming commission fund established under section 313.835**
29 **that were generated from revenues received by the Missouri gaming commission from**
30 **license fees and reimbursements associated with the regulation and operation of**
31 **excursion gambling boats in the state.**

32 **5. The director of the department of public safety may promulgate all necessary**
33 **rules and regulations for the administration of this section. Any rule or portion of a**
34 **rule, as that term is defined in section 536.010, that is created under the authority**
35 **delegated in this section shall become effective only if it complies with and is subject to**
36 **all of the provisions of chapter 536 and, if applicable, section 536.028. This section and**
37 **chapter 536 are nonseverable and if any of the powers vested with the general assembly**
38 **pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul**
39 **a rule are subsequently held unconstitutional, then the grant of rulemaking authority**
40 **and any rule proposed or adopted after August 28, 2025, shall be invalid and void.**

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