

SECOND REGULAR SESSION

[PERFECTED]

HOUSE BILL NO. 1679

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES CRUMP, RICHARDSON, GAMBARO, FOLEY, HAYWOOD, O'TOOLE, HOLT, OVERSCHMIDT, SHOEMYER (9) (Co-sponsors), BOUCHER, MAYS (50), RELFORD, SCHEVE, VILLA, BARRY, GRATZ, BOWMAN, HICKEY, McKENNA, SHELTON, O'CONNOR, TOWNLEY, WAGNER, KREIDER, BERKOWITZ, WARD, LOWE, OSTMANN, REYNOLDS, SELBY, GRAHAM AND MERIDETH.

Read 1st time January 29, 2002, and 1000 copies ordered printed.

Read 2nd time January 30, 2002, and referred to the Committee on Miscellaneous Bills and Resolutions, February 7, 2002.

Reported from the Committee on Miscellaneous Bills and Resolutions February 28, 2002, with recommendation that the bill Do Pass.

Taken up for Perfection March 19, 2002. Bill ordered Perfected and printed, as amended.

TED WEDEL, Chief Clerk

2983L.02P

AN ACT

To repeal sections 313.500, 313.510, 313.520, 313.530, 313.540, 313.550, 313.560, 313.580, 313.590, 313.600, 313.605, 313.610, 313.620, 313.630, 313.631, 313.632, 313.640, 313.652, 313.655, 313.660, 313.670, 313.710, and 313.720, RSMo, and to enact in lieu thereof twenty-eight new sections relating to horse racing and pari-mutuel wagering, with penalty provisions.

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

Section A. Sections 313.500, 313.510, 313.520, 313.530, 313.540, 313.550, 313.560, 2 313.580, 313.590, 313.600, 313.605, 313.610, 313.620, 313.630, 313.631, 313.632, 313.640, 3 313.652, 313.655, 313.660, 313.670, 313.710 and 313.720, RSMo, are repealed and twenty-eight 4 new sections enacted in lieu thereof, to be known as sections 313.500, 313.510, 313.520, 5 313.530, 313.540, 313.550, 313.560, 313.561, 313.562, 313.580, 313.583, 313.585, 313.587, 6 313.590, 313.600, 313.605, 313.610, 313.620, 313.630, 313.631, 313.640, 313.652, 313.655, 7 313.660, 313.662, 313.670, 313.720 and Section 1, to read as follows:

313.500. As used in sections 313.500 to [313.710] **313.720**, unless the context clearly

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

2 indicates that a different meaning is intended, the following terms mean:

3 **(1) "Applicant", any person applying for a license to be granted by the commission.**
4 **If the applicant is a corporation, partnership or other person as that term is defined in**
5 **section 351.015, RSMo, the term includes the officers and directors of the corporation or**
6 **the general partners of a partnership or person performing similar functions for any**
7 **business applying for such a license;**

8 [(1)] **(2) "Breakage", the odd cents by which the amount payable on each dollar wagered**
9 **exceeds a multiple of ten cents, or such other amount as set by the commission;**

10 [(2)] **(3) "Commission", the Missouri [gaming] horse racing commission, [created in**
11 **section 313.004,] or its designate;**

12 **(4) "Commission on wagers", an amount retained and not returned to patrons by**
13 **a licensee from the total amount of pari-mutuel wagers;**

14 **(5) "Common pari-mutuel pool", a pool consisting of the pari-mutuel wagers on**
15 **a race placed and accepted at a racetrack or other facility outside the state where pari-**
16 **mutuel wagers are permitted;**

17 [(3)] **(6) "County", any county in the state of Missouri or the city of St. Louis;**

18 [(4)] **(7) "Horse", any equine, ass, mule, pony, or hybrid thereof;**

19 [(5)] **"Organization", any individual, political subdivision, state agency, partnership,**
20 **unincorporated association, firm, or corporation licensed by the commission to conduct a horse**
21 **racing meeting;]**

22 **(8) "Licensee", any individual, partnership, corporation, unincorporated**
23 **association, firm, or other business organization licensed by the commission to conduct a**
24 **race meeting and pari-mutuel wagering. If the licensee is a corporation, partnership or**
25 **other person as that term is defined in section 351.015, RSMo, the term includes the**
26 **officers and directors of the corporation or the general partners of the partnership or**
27 **person performing similar functions for any business that holds a license;**

28 **(9) "Missouri bred horse", any equine which was foaled within this state;**

29 **(10) "Occupational licensee", any person licensed by the commission to perform**
30 **an occupation associated with racing, simulcasting or pari-mutuel wagering, which the**
31 **commission has identified as requiring a license;**

32 [(6)] **(11) "Pari-mutuel wagering", a form of wagering on the outcome of [horse] races**
33 **in which those who [wager purchase tickets] participate place wagers of various denominations**
34 **on a horse or horses in one or more races, all wagers are pooled, and when the outcome of the**
35 **race has been declared official, the total wagers comprising each pool, less such amounts**
36 **provided herein or which are provided by law or rule, will be distributed to holders of winning**
37 **tickets on the [winning] horse or horses;**

38 **(12) "Pari-mutuel system", a computerized system or component of a system that**
39 **is used to transmit wagering data to and from a racetrack which participates in common**
40 **pari-mutuel pools;**

41 [(7)] **(13) "Public official", any elected member of the executive branch of state**
42 **government and any director of a state department, any judge other than a judge of the municipal**
43 **division of a circuit court, and any elected member of the legislative branch of state government;**

44 **(14) "Race" or "racing", any type of horse race or horse racing;**

45 [(8) "Race meet" or] **(15) "Race meeting", [the whole period of time, whether**
46 **consecutive dates or those instances where nonconsecutive dates are granted, for which a**
47 **racetrack license to race has been granted to any one organization by the commission;**

48 (9) "Racing", any type of horse racing.] **the activities conducted at a race meeting**
49 **grounds including live, previously run, or simulcast races, all as licensed by the**
50 **commission, on any given date or series of dates;**

51 **(16) "Race meeting grounds", a racetrack licensed by the commission and the**
52 **surrounding structures and property under control of a licensee;**

53 **(17) "Simulcast", the audio and visual transmission of a race, or series of races,**
54 **including previously run races, provided in any manner approved by the commission;**

55 **(18) "Steward", a person designated by the commission to monitor race meetings**
56 **to ensure compliance with sections 313.500 to 313.720 and regulations promulgated**
57 **thereunder;**

58 **(19) "Stockholder", record owners of any class of stock and beneficial owners of**
59 **any kind specified in subsection 4 of section 313.600, that constitute five percent or more**
60 **of the licensee's stock or units of ownership. Notwithstanding the preceding sentence, in**
61 **the event the licensee is a subsidiary of a public company, the term "stockholder" shall**
62 **mean record owners of five percent or more of the licensee's stock or units of ownership,**
63 **and beneficial owners who have the practical ability to control the management of a**
64 **licensee. For purposes of this subdivision, "public company" shall mean any company**
65 **whose stock is traded on the New York Stock Exchange, the Nasdaq National Market or**
66 **any similar security exchange.**

313.510. 1. There is hereby created the "Missouri Horse Racing Commission", which
2 shall consist of five members appointed by the governor with the advice and consent of the
3 senate. **Members of the commission shall be citizens and eligible voters of this state and**
4 **shall not have been convicted of a felony. Not more than three members shall be affiliated**
5 **with the same political party and not more than one member may be a resident of any one**
6 **congressional district or of any single county or of the City of St. Louis. At least two of said**
7 **members shall be horsemen as such term is commonly understood in the industry. Of the**

8 **members first appointed, one shall be appointed for a one-year term, one shall be**
9 **appointed for a two-year term, one shall be appointed for a three-year term, one shall be**
10 **appointed for a four-year term, and one shall be appointed for a five-year term; and**
11 **thereafter members shall be appointed for terms of five years. A minimum of twenty-five**
12 **percent of all commissioners appointed shall be minorities. The governor shall designate**
13 **one of the members to be chairman.** The commission shall oversee the development and
14 administration of the pari-mutuel horse racing industry in Missouri. The commission shall be
15 assigned to the [Missouri gaming commission] **department of public safety.**

16 **2. The governor shall designate one of the members as the chair.**

17 **3. The governor may remove any member of the commission from office for**
18 **malfeasance or neglect of duty in office.**

19 **4. In the event of a vacancy on the commission due to the removal, resignation or**
20 **death of a commission member, the governor shall appoint an interim commissioner to**
21 **serve the remainder of the unexpired term.**

22 **5. The commission shall perform all duties and have all the powers and**
23 **responsibilities conferred and imposed on it pursuant to sections 313.500 to 313.720,**
24 **related to horse racing and pari-mutuel wagering.**

313.520. 1. [The horse racing commission shall not hire any person to be an employee
2 of the commission.] **Subject to appropriations, the commission may hire an executive**
3 **director and such employees as it may deem necessary to carry out the commission's duties.**
4 **A minimum of twenty-five percent of employees hired by the commission shall be**
5 **minorities. The commission shall have authority to require investigations of any employee**
6 **or applicant for employment as deemed necessary and use such information or any other**
7 **information in determination of employment. The commission shall promulgate rules and**
8 **regulations establishing a code of ethics for its employees that shall include, but not be**
9 **limited to, restrictions on which employees shall be prohibited from participating in or**
10 **wagering on any race subject to the jurisdiction of the commission or from placing wagers**
11 **subject to the jurisdiction of the commission. The commission shall determine if any**
12 **employees of the commission or any licensee shall be subject to any restrictions on their**
13 **ability to participate in any race meeting or wager at any racetrack under the jurisdiction**
14 **of the commission.**

15 **2. The duties of the executive director of the [gaming] commission[, in addition to all**
16 **other duties prescribed by law,] shall include the following:**

17 **(1) Taking and preserving records of all proceedings before the commission, maintaining**
18 **its books, documents, and records, and making them available for public inspection;**

19 **(2) If so designated by the commission, acting as a hearing officer in hearings;**

20 (3) Acting as the commission's chief personnel officer and supervising the employment,
21 conduct, duties, and discipline of commission employees; and

22 (4) Performing other duties as directed by the commission.

23 3. Except as provided in subdivision [(7)] **(5)** of section 313.560, the officials at any race
24 meeting, [as this term is customarily understood in racing,] including by way of enumeration
25 only and not in limitation, placing judges, patrol judges, clerks of the scales, starters and
26 assistants, handicapper, timer, paddock judge, veterinarians, racing secretary, and clerk of the
27 course shall be paid by the racetrack licensee.

313.530. [Except as provided in section 313.620, all revenues derived or generated from
2 the licensing of racetracks and] **1. Other than revenues designated for the Missouri breeders**
3 **fund pursuant to sections 313.652, 313.655 and 313.720, all revenues derived or generated**
4 **from the licensing fees, racetracks, civil or administrative penalties, laboratory testing**
5 **services fees, the authorization of race meetings, races [under] and wagering pursuant to**
6 sections 313.500 to [313.710] **313.720**, and all moneys received by the state[,]
7 commission [or the director of revenue] from pari-mutuel wagering pools shall be [deposited by]
8 **transmitted to** the director of revenue **for deposit** in the state treasury to be held in a special
9 account to be known as the "Missouri Horse Racing Fund". Interest earned on the Missouri
10 horse racing fund shall be credited to that fund. The money in the Missouri horse racing fund
11 shall be deposited in the state treasury and invested by the state treasurer[, subject to
12 appropriation as provided by the constitution and laws enacted pursuant thereto]. **The Missouri**
13 **horse racing fund shall be used to pay the expenses of the commission to the extent that it**
14 **is sufficient to satisfy the commission's obligations.**

15 **2. Any surplus remaining in the Missouri horse racing fund at the end of a fiscal**
16 **year shall be deposited in the state treasury to the credit of the schools of the future fund.**
17 **Moneys deposited in this fund pursuant to this section shall be considered the proceeds of**
18 **racing and state funds pursuant to article IV, section 15 of the Missouri Constitution. All**
19 **interest received on the horse racing proceeds shall be credited to schools of the future**
20 **fund.**

313.540. **1.** The commission shall have powers to [prescribe] **promulgate** and enforce
2 rules and regulations governing [horse] races, [and] race meetings **and pari-mutuel wagering.**
3 Such rules and regulations shall contain criteria to be used by the commission for decisions on
4 approving and revoking [racetrack] licenses and **for** setting racing dates. The commission may
5 delegate to **its employees or to** the stewards such of the commission's powers and duties as may
6 be necessary to carry out and effectuate the purposes of sections 313.500 to [313.710] **313.720.**
7 Any decision or action of such **employees or** stewards may be appealed to the commission or
8 may be reviewed by the commission on its own initiative.

9 **2. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,**
10 **that is created under the authority delegated in this section shall become effective only if**
11 **it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if**
12 **applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable**
13 **and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,**
14 **to review, to delay the effective date or to disapprove and annul a rule are subsequently**
15 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**
16 **adopted after August 28, 2002, shall be invalid and void.**

313.550. 1. The commission may issue subpoenas for the attendance of witnesses or the
2 production of any records, books, memoranda, documents, or other papers or things, to enable
3 [any of them] **it** to effectually discharge its [or his] duties, and may administer oaths or
4 affirmations as necessary in connection therewith. In addition, the commission shall have the
5 authority to issue subpoenas [under] **pursuant to** section 536.077, RSMo, in contested cases.

6 2. Any person subpoenaed who fails to appear at the time and place specified in answer
7 to the subpoena and to bring any papers or things specified in the subpoena, or who upon such
8 appearance, refuses to testify or produce such records or things, upon conviction, is guilty of a
9 class A misdemeanor.

10 3. Any person who testifies falsely under oath in any proceeding before, or any
11 investigation by, the commission, its [secretary] **employees**, or the stewards, upon conviction,
12 shall be guilty of a class D felony **and a class C felony for second and subsequent violations.**

313.560. The commission shall have all powers necessary and proper to fully and
2 effectively execute the provisions of sections 313.500 to [313.710] **313.720** including, but not
3 limited to, the following:

4 (1) The provisions of chapter 34, RSMo, to the contrary notwithstanding, the executive
5 director, pursuant to rules and regulations issued by the commission, may directly purchase or
6 lease such goods or services as are necessary for effectuating the purposes of sections 313.500
7 to [313.710] **313.720**, provided however, that the board of public buildings shall provide the
8 principal office space for the commission's staff. Contracts shall be awarded on the basis of
9 lowest and best bid. The executive director shall use state purchasing procedures except for
10 professional services or emergency purchases [necessary for the race meet] authorized pursuant
11 to section 34.100, RSMo. No contract awarded or entered into by the executive director may be
12 assigned by the holder thereof except with specific approval of the commission;

13 (2) [The commission is vested with the power to enter without a search warrant the
14 office, horse racetrack, facilities, other places of business, residences, tack rooms, vehicles and
15 any other premises under the control of any licensee on the grounds of a licensed association at
16 all reasonable hours to determine whether there has been compliance with the provisions of

17 sections 313.500 to 313.710 and rules and regulations promulgated thereunder, and to discover
18 any contraband as described in chapter 195, RSMo, or in rules promulgated pursuant to sections
19 313.500 to 313.710;

20 (3) The commission is vested with the authority to investigate alleged violations of the
21 provisions of sections 313.500 to [313.710] **313.720**, its reasonable rules and regulations, orders
22 and final decisions; [the commission shall take appropriate disciplinary action, including
23 suspension or revocation of the license, against any racetrack licensee or occupation licensee for
24 violation thereof or institute appropriate legal action for the enforcement thereof pursuant to
25 subdivision (10) of this section;

26 (4) (3) The commission may eject or exclude from any race meeting [or licensee]
27 grounds [or any part thereof, any occupation licensee or], any [other] individual whose conduct
28 or reputation is such that his **or her** presence [on licensee grounds] may, in the opinion of the
29 commission, call into question the honesty and integrity of [horse] racing or interfere with the
30 orderly conduct of [horse] racing **or pari-mutuel wagering**; provided, however, that no person
31 shall be excluded or ejected [from licensee grounds] on the grounds of race, color, creed, national
32 origin, ancestry, or sex. The commission shall by rule provide for an expedited hearing for any
33 occupation licensee excluded pursuant to this subsection;

34 [(5)] (4) The commission is vested with the power to acquire, establish, maintain and
35 operate, or provide by contract testing laboratories and related facilities, for the purpose of
36 conducting saliva, blood, urine and other tests on the horses run or to be run in any race meeting
37 and to lease or purchase all equipment and supplies deemed necessary or desirable in connection
38 with any such testing laboratories and related facilities and all such tests. The commission shall
39 explore the feasibility of establishing such a testing facility at and in conjunction with the
40 University of Missouri, College of Veterinary Medicine. The racetrack licensee shall on a per
41 sample basis pay a fee as determined by the commission for such laboratory testing services;

42 [(6) The commission may require that the records, including financial or other statements
43 of any racetrack licensee under sections 313.500 to 313.710, shall be kept in such manner as
44 prescribed by the commission and that any racetrack licensee submit to the commission on or
45 before March fifteenth of each year, for the preceding fiscal year of the licensee an annual
46 audited balance sheet and profit and loss statement and any other information the commission
47 deems necessary in order to effectively administer sections 313.500 to 313.710 and all rules,
48 regulations, orders and final decisions promulgated under sections 313.500 to 313.710. The
49 fiscal year for any licensee shall be the calendar year;

50 (7) (5) The commission shall require that there shall be three stewards at each horse
51 race meeting, who shall be appointed by the commission **and unless directed by the**
52 **commission, at least one steward shall be certified by the Association of Racing**

53 **Commissioners International or equivalent organization.** They shall be paid for by the state
54 and shall be considered state employees for all purposes. Stewards appointed by the
55 commission, while performing duties required by sections 313.500 to [313.710] **313.720** or by
56 the commission, shall be entitled to the same rights and immunities as granted to commission
57 members and employees [under] **pursuant to** section 313.570;

58 [(8)] **(6)** The commission is vested with the power to impose civil penalties of up to five
59 thousand dollars against [individuals] **occupational licensees** and up to ten thousand dollars
60 against [organizations] **licensees** for each violation of any provision of sections 313.500 to
61 [313.710] **313.720**, any rules adopted by the commission, any lawful order of the commission
62 or any other action which, in the commission's discretion, is found to be a detriment or
63 impediment to [horse] racing **or pari-mutuel wagering**. Such penalties, when recovered, shall
64 be paid into the Missouri horse racing fund. Any civil penalties so imposed shall be sued for by
65 the attorney general in the name of the state;

66 [(9)] **(7)** The commission may request that the attorney general make investigations, on
67 behalf of and in the name of the commission, and bring suits or institute proceedings for any of
68 the purposes necessary and proper for carrying out the functions of the commission;

69 [(10)] **(8)** The commission may request that the Missouri state highway patrol
70 investigate or participate in such matters as it deems necessary. The Missouri state highway
71 patrol shall have authority to investigate the commission relative to the operation and
72 administration of sections 262.260 to 262.270, RSMo, and 313.500 to [313.710] **313.720**, and
73 to report suspected violations of state law or federal law by the commission to the proper
74 prosecuting authorities. In the event that a violation of state law is reported to the proper
75 prosecuting authority and no prosecution is commenced within thirty days for alleged violations,
76 the attorney general shall have authority to commence prosecution for alleged violations of
77 sections 262.260 to 262.270, RSMo, and 313.500 to [313.710] **313.720** or other criminal statutes
78 alleged to have been violated. The cost of personnel and related expenses in the Missouri state
79 highway patrol, including the division of drug and crime control, to accomplish the purposes of
80 this section shall be paid within the limits of appropriations from general revenue, or from such
81 other funding as may be authorized by the general assembly.

**313.561. In addition to the powers granted to the commission in section 313.560, the
2 commission shall have the following powers and duties relating to applicants and licensees:**

3 **(1) To investigate the qualifications of each applicant pursuant to sections 313.500
4 to 313.720 before any license is issued and to continue to observe the conduct of all
5 licensees and other persons having a material involvement directly or indirectly with the
6 licensee;**

7 **(2) To deny any application or limit, condition, restrict, revoke, or suspend a license**

8 of any person for any cause deemed reasonable by the commission. Any person aggrieved
9 by any action of the commission authorized in this subdivision may appeal such action to
10 the appropriate circuit court;

11 (3) To adopt standards for the conduct of pari-mutuel wagering on the race
12 meeting grounds, except that the commission shall not permit a licensee to accept
13 pari-mutuel wagers unless its facility on the race meeting grounds:

14 (a) Is designed to seat patrons comfortably, with multiple screens to enable each
15 patron to view simulcast races;

16 (b) Is suitable for licensing by the division of liquor control; and

17 (c) Has food and beverage services available at all hours the facility is open to the
18 public for race meetings;

19 (4) To require a licensee to remove any person from the race meeting grounds
20 facility if such person violates any provision of sections 313.500 to 313.720 or any rule or
21 regulation promulgated thereunder or if such person engages in fraudulent practices;

22 (5) To enter without a search warrant the office, race meeting grounds, other places
23 of business, tack rooms, vehicles, and any other premises under the control of any licensee
24 at all reasonable hours to determine whether there has been compliance with the provisions
25 of sections 313.500 to 313.720 and the rules and regulations promulgated thereunder, and
26 to discover any substance or item regulated in chapter 195, RSMo, or by rules and
27 regulations promulgated pursuant to sections 313.500 to 313.720;

28 (6) To require that the records, including financial or other statements of any
29 licensee pursuant to sections 313.500 to 313.720, shall be kept in such manner as prescribed
30 by the commission and that any licensee submit to the commission on or before a date
31 certain each year established by the commission, for the preceding fiscal year of the
32 licensee an annual audited balance sheet and profit-and-loss statement and any other
33 information the commission deems necessary in order to effectively administer sections
34 313.500 to 313.720 and all rules, regulations, orders, and final decisions promulgated
35 pursuant to sections 313.500 to 313.720. The fiscal year for any licensee shall be the
36 calendar year; and

37 (7) The commission may levy administrative penalties of up to two thousand dollars
38 per day against a licensee who violates the provisions of sections 313.500 to 313.720 or any
39 rule or regulation promulgated thereunder.

2 313.562. A holder of any license shall be subject to impositions of penalties,
3 suspension or revocation of such license, or other action for any act or failure to act by
4 such person or such person's agents or employees, that is injurious to the public health,
safety, morals, good order, and general welfare of the people of this state or that would

5 **discredit or tend to discredit the Missouri horse racing industry or this state unless the**
6 **licensee proves by clear and convincing evidence that it is not guilty of such action. The**
7 **commission shall take appropriate action against any licensee who violates the law or the**
8 **rules and regulations of the commission. Without limiting other provisions of this section,**
9 **the following acts or omissions may be grounds for such discipline:**

10 **(1) Failing to comply with or make provisions for compliance with sections 313.500**
11 **to 313.720, the rules and regulations of the commission or any federal, state, or local law**
12 **or regulation;**

13 **(2) Failing to comply with any rule, order, or ruling of the commission or its agents**
14 **pertaining to horse racing or pari-mutuel wagering;**

15 **(3) Being suspended or ruled ineligible or having a license associated with horse**
16 **racing revoked or suspended in any state or jurisdiction;**

17 **(4) Associating with, either socially or in business affairs, or employing persons of**
18 **notorious or unsavory reputation or who have extensive police records, or who have failed**
19 **to cooperate with any officially constituted investigatory or administrative body and who**
20 **would adversely affect public confidence and trust in horse racing or pari-mutuel**
21 **wagering;**

22 **(5) Employing in any horse racing operation or associated facility any person**
23 **known to have been found guilty of cheating or using any improper device in connection**
24 **with any horse race, pari-mutuel wagering operation, or other type of gaming;**

25 **(6) Use of fraud, deception, misrepresentation, extortion, threats, or bribery in**
26 **securing any permit or license issued pursuant to sections 313.500 to 313.720;**

27 **(7) Obtaining or attempting to obtain any fee, charge, or other compensation by**
28 **fraud, deception, misrepresentation, extortion, or threats;**

29 **(8) Incompetence, misconduct, gross negligence, fraud, misrepresentation, or**
30 **dishonesty in the performance of the functions or duties regulated by sections 313.500 to**
31 **313.720.**

313.580. 1. Pari-mutuel wagering shall only be conducted within the grounds or
2 enclosure of a racetrack licensed by the commission and shall only be conducted with respect to
3 [horse] races [and], race meetings [which have been authorized by the commission at such
4 licensed racetrack] **or simulcasts.**

5 **2.** No [organization] **entity** shall conduct pari-mutuel wagering on [horse] racing without
6 a valid [racetrack] license issued by the commission [with respect to the conduct of horse racing
7 and race meets authorized by the commission]. Any [organization] **entity** desiring to conduct
8 pari-mutuel wagering on [horse] racing shall apply to the commission for a [racetrack] license
9 and shall provide the information required by the commission before a license may be issued.

10 [2.] **3.** The commission shall not issue any [racetrack] license to any [individual or
11 organization] **applicant:**

12 (1) Who has or which has an officer, director, **member, manager,** or stockholder who
13 has been convicted of a felony;

14 (2) Who has or which has an officer, director, **member, manager,** or stockholder who
15 has been convicted of or pleaded nolo contendere to any illegal gambling activity; or

16 (3) Who is or which has an officer, director, **member, manager,** or stockholder who is
17 not of good moral character. [As used in this subsection, the term "stockholder" shall mean
18 record owners of any class of stock, and beneficial owners of any class of stock as provided in
19 subsection 4 of section 313.600, which constitutes two percent or more of the licensee's stock.

20 3.] **4.** The commission shall not issue any license for a racetrack unless the commission
21 has first determined:

22 (1) That the applicant would be a suitable licensee;

23 (2) That a licensed racetrack at the proposed location would be in the public interest;

24 (3) That the proposed racetrack operation is economically feasible;

25 (4) That the proposed racetrack's establishment would not be detrimental to the
26 development of a sound [horse] racing program for Missouri;

27 (5) That any financing of applicant's proposed operations is adequate and comes from
28 a source that is not detrimental to the public interest; [and]

29 (6) That the applicant has complied with all requisite provisions of law and of rules and
30 regulations promulgated by the commission; **and**

31 (7) That the proposed racetrack would be located within a county in which a majority
32 of the voters have approved excursion gambling boats.

33 [4.] **5.** If any organization is ineligible to be granted a [racetrack] license because of any
34 of the matters set forth in this section, any other affiliated organization or person that is either
35 controlled, directly or indirectly, by such ineligible organization or person shall also be ineligible.

36 [5.] **6.** The commission shall only license the number of racetracks and authorize the
37 number of races which it determines to be in the public interest and economically feasible.

38 **7. Licenses granted by the commission shall be valid until revoked by the**
39 **commission for cause following proper notice and an opportunity for hearing.**

40 **8. No public funds or powers of eminent domain shall be used for the purchase,**
41 **construction, operation, or maintenance of any privately-owned race meeting grounds, nor**
42 **shall any redevelopment plan be adopted pursuant to sections 99.800 to 99.865, RSMo,**
43 **after January 1, 2002, for tax-increment financing projects that include privately-owned**
44 **race meeting grounds.**

313.583. 1. An application to receive a license constitutes a request for a

2 **determination of the applicant's general character, integrity, and suitability for licensure.**
3 **Such determination shall be made by the commission after due investigation of the**
4 **applicant. The applicant for such license shall file with its application an application fee**
5 **of fifty thousand dollars. If the cost of the commission's investigation exceeds the total**
6 **amount of the fee paid by the applicant pursuant to this section, the commission may assess**
7 **additional fees as it deems appropriate; however, if the applicant is denied a license, the**
8 **applicant shall be entitled to a refund of the difference between the application fee and the**
9 **actual costs of the investigation.**

10 **2. Applications for a license shall be made, processed, and determined using such**
11 **forms as the commission may require. The application shall fully identify the applicant,**
12 **include evidence of the financial responsibility of the applicant, describe the names and**
13 **identification of those who will supervise the wagering, describe the controls and**
14 **supervision by the licensee and describe the general physical layout of the track and its**
15 **location.**

16 **3. In acting on applications for licenses, the commission shall require all applicants**
17 **to implement a good faith affirmative action effort and to furnish the commission with a**
18 **description of plans for compliance with all laws pertaining to discrimination, equal**
19 **employment, and affirmative action; policies regarding recruitment, use and advancement**
20 **of minorities; policies with respect to minority contracting; a copy of the equal employment**
21 **opportunity statement and policy of the applicant dated and signed by the chief executive**
22 **officer; and a copy of the affirmative action policy and procedures of the applicant dated**
23 **and signed by the chief executive officer; and identification of the affirmative action**
24 **officer, including name, title, address, and telephone number.**

313.585. 1. The commission shall not issue a license to operate to an applicant
2 **unless the applicant affirms that it will make a capital investment in its race meeting**
3 **grounds in Missouri exceeding ten million dollars within the first forty-two months after**
4 **licensure, and that it will conduct at least:**

5 **(1) Twenty days of live racing in this state within eighteen months following**
6 **licensure;**

7 **(2) Thirty days of live racing in this state during the next twelve-month period; and**

8 **(3) Fifty days of live racing in this state during each twelve-month period**
9 **thereafter.**

10

11 **The commission shall only have authority to waive, suspend, or modify the provisions of**
12 **this section in the event that circumstances beyond the control of the applicant or licensee**
13 **prevent the applicant or licensee from complying with such requirements.**

14 **2. In the event that a licensee does not make a capital investment or own and**
15 **operate a live racetrack that conducts the minimum number of days of live racing in**
16 **Missouri as set forth in subsection 1 of this section, the commission shall restrict, revoke,**
17 **suspend, or place on probation the licensee's right to operate until the licensee adequately**
18 **demonstrates an ability to satisfy the requirements of subsection 1 of this section.**

19 **3. The commission shall not issue a license to any applicant unless the applicant**
20 **establishes by clear and convincing evidence that it will timely arrange for the capital**
21 **investment in its race meeting grounds as set forth in subsection 1 of this section so as to**
22 **demonstrate a significant financial commitment to the host community.**

23 **4. The commission shall not issue a license to any applicant except upon the express**
24 **condition and representation that the licensee shall not, by any lease, contract,**
25 **understanding or arrangement of whatever kind or nature, grant, assign, transfer or turn**
26 **over to any person, corporation, partnership or business, the ownership, operation or**
27 **management of the track without the prior approval of the commission. Nothing contained**
28 **in this section prohibits:**

29 **(1) The licensee from paying a percentage of the amounts wagered at its race**
30 **grounds to a track for the right to be part of a common pari-mutuel pool and for the right**
31 **to receive a simulcast from such racetrack; or**

32 **(2) The licensee from paying a percentage of the amounts wagered at its race**
33 **grounds to an individual, corporation, partnership, or other entity as compensation for the**
34 **services of a pari-mutuel system.**

313.587. 1. A licensee shall not use a pari-mutuel system unless the system has been
2 **approved for use by the commission. The physical location of the system may be in a state**
3 **other than Missouri. A pari-mutuel wagering system shall:**

4 **(1) Include a fully redundant computer;**

5 **(2) Receive, aggregate by pool, and report to a track at regular intervals, all**
6 **pari-mutuel wagering information received from the licensee;**

7 **(3) Receive and report to the licensee at regular intervals all wagering data received**
8 **from the racetrack to the system;**

9 **(4) After each race on which pari-mutuel wagering is conducted and which is**
10 **declared official, receive and report to the licensee the results and payoff prices reported**
11 **by the track; and**

12 **(5) Provide all accounting and reconciliation reports required by the commission.**

13 **2. Operators of the pari-mutuel system shall:**

14 **(1) Be subject to such regulatory supervision as the commission deems appropriate;**

15 **(2) Put in place and use communication equipment to supplement that used to**

16 **transmit simulcasts and to facilitate the pari-mutuel wagering system to ensure that the**
17 **operator is:**

18 **(a) Able to contact each licensee immediately; and**

19 **(b) Able at all times to respond immediately to licensee requests for confirmation**
20 **of information included in the simulcasts or otherwise generated by the pari-mutuel**
21 **system.**

313.590. A [racetrack licensed under section 313.580] **licensee** shall post a bond
2 payable to the state of Missouri, before the license is issued, in an amount set by the commission,
3 with sureties to be approved by the commission. The bond shall be used to guarantee that the
4 licensee **satisfies its obligation to maintain all facilities for which it is licensed**, faithfully
5 makes the payments, keeps its books and records and makes reports, and conducts its racing **and**
6 **wagering** activity in conformity with sections 313.500 to [313.710] **313.720** and the rules
7 adopted by the commission. The bond shall not be canceled or assigned by a surety on less than
8 thirty days' notice in writing to the commission. If a bond is canceled and the licensee fails to
9 file a new bond with the commission in the required amount on or before the effective date of
10 cancellation, the licensee's license shall be revoked. The total and aggregate liability of the
11 surety on the bond is limited to the amount specified in the bond.

313.600. 1. [Whenever any organization has been granted a racetrack license to conduct
2 a horse race meeting,] No officer or director of [such organization] **a licensee**, or person [who
3 will thereby] **proposed to** become [the owner or holder, directly or indirectly, of five percent or
4 more of the shares of stock or certificates or other evidence of ownership] **a stockholder** in such
5 [organization] **licensee**, may become [the owner or holder, directly or indirectly, of any such
6 shares of stock or certificates or other evidence of ownership] **a stockholder** without first having
7 obtained the approval of the commission. The commission may, after hearing, revoke or suspend
8 a [racetrack] license granted to any [organization] **licensee** which shall register on its books in
9 the name of any such officer, director, or person its share of stock or certificate or other evidence
10 of ownership of any interest in the organization without the prior approval of the commission
11 or which shall knowingly permit any such officer, director, or person to be directly or indirectly
12 interested in its share of stock or certificates or other evidences of ownership of any interest in
13 the organization without reporting the same to the commission or which violates any rules or
14 regulations of the commission.

15 2. Whenever the commission shall give to any officer or director of any [organization]
16 **licensee**, or person [who will thereby] **proposed to** become [the owner or holder, directly or
17 indirectly, of five percent or more of the shares of stock or certificates or other evidences of
18 ownership of any interest in an organization] **a stockholder in a licensee**, its approval to [own
19 or hold the shares of stock or certificates or other evidences of ownership of any interest]

20 **become a stockholder** in any such [organization] **licensee**, it shall, by registered mail, notify the
21 organization of such approval. Under no circumstances shall the commission give such approval
22 to any such officer, director or person who has been convicted of or is under an indictment for
23 a crime involving moral turpitude [or has violated any provisions of the racing law of any state
24 or any rules or regulations of the commission of any state] **or a felony**.

25 3. The commission shall require all licensees, including any officers and stockholders
26 thereof, to disclose fully to the commission all financial interests that they may have in horse
27 racing **that are deemed relevant by the commission**.

28 4. The commission shall require each licensee [under] **pursuant to** this section to
29 maintain records [of owners of stock of the licensee so that the names of all persons, including
30 corporations, trusts, estates, and partnerships, who are the beneficial owners of the stock are
31 disclosed] **its stockholders**, regardless of the manner in which, or whether, the ownership
32 interest is stated or registered on the stock of the licensee. **For purposes of determining**
33 **stockholders**, beneficial ownership includes, but is not limited to record ownership and:

34 (1) Stock or other ownership in one or more entities in a chain of parent and subsidiary
35 or affiliated entities, any one of which participates in the capital or profits of a licensee,
36 regardless of the percentage of ownership involved; or

37 (2) Any interest which entitles a person to benefits substantially equivalent to ownership
38 by reason of any contract, understanding, relationship, agreement, or other arrangement, even
39 though the person is not the record owner. Unless there are special circumstances, securities held
40 by an individual's spouse or relatives, including children, living in the home, are beneficially
41 owned by the individual.

42 5. In addition to any other action which is necessary to obtain disclosure of [beneficial
43 ownership of stock] **stockholders**, the commission shall require each licensee, at least once
44 every calendar year, to obtain, pursuant to written notice to the [record owners of all stock]
45 **stockholders** of the licensee, an affidavit from each [record owner owning two percent or more]
46 **stockholder**, sworn to under the penalty of perjury, stating to the best of the affiant's knowledge,
47 information and belief:

48 (1) Whether any person other than the affiant has any right of beneficial ownership of
49 any kind in the stock held in the name of the affiant;

50 (2) The name and address of the other person; and

51 (3) The amount and nature of the ownership.

52 6. If the licensee receives information indicating that a person other than the record
53 owner has a beneficial ownership interest in stock of the licensee, the licensee shall request
54 promptly by written notice to the other person, that this person submit to the licensee within sixty
55 days from the date of the notice an affidavit, sworn to under the penalty of perjury, stating to the

56 best of the affiant's knowledge, information and belief:

57 (1) Whether the affiant has any right of ownership in stock of the licensee attributed to
58 the affiant in the notice and the amount and nature of the ownership;

59 (2) Whether any person other than the affiant and the record owner has any right of
60 ownership of any kind in stock of the licensee attributed to the affiant by the notice to the affiant;
61 and

62 (3) The amount and nature of the ownership of any other person.

63 7. Notwithstanding the affidavit requirements of this subsection, the commission may
64 limit the ownership that must be reported in an affidavit to [two] **five** percent or more of the
65 beneficial ownership of the licensee.

66 8. Each licensee shall submit the ownership records and affidavits required by this
67 section to the commission annually and at the other times required by the commission. Any
68 change in the [record ownership or beneficial ownership of stock] **stockholders** of any licensee
69 shall be reported promptly to the commission. Upon the failure of any licensee to maintain and
70 report records of ownership of stock, as required by this subsection, or the failure of any licensee
71 to make a reasonable effort to obtain the affidavits required by this subsection, the commission
72 shall suspend or revoke the license of the track for a period determined by the commission.

73 9. All statements required to be filed with the commission shall be filed under oath and
74 shall be signed by the officers of the corporation, or, if unincorporated, by the owner or all the
75 partners, general and limited, of the licensee.

313.605. 1. [In addition to the provisions of subsection 1 of this section,] No
2 [organization] **entity** shall be granted a [racetrack] license [to hold a race meeting in this state]
3 and the commission may revoke or suspend a [racetrack] license if any public official of the state
4 or his or her spouse, children or parents hold any financial interest, directly or indirectly, in the
5 shares of stock or certificates or other evidences of ownership in [the organization] **such entity**
6 **or licensee. No entity shall be granted a license and the commission may revoke or suspend**
7 **a license if any stockholder of a licensee has any financial interest, directly or indirectly,**
8 **in the ownership of any other gaming activity or gaming business unrelated to horse**
9 **racing.**

10 2. No [organization which has been granted a racetrack license to hold a race meeting]
11 **licensee** shall give to any public official or his or her spouse, children or parents, directly or
12 indirectly, for or without consideration any interest in shares of stock or certificates or other
13 evidences of ownership [in the organization]. The commission shall, after hearing, revoke the
14 [racetrack] license granted to [an organization] **any entity** which has violated this subsection.

313.610. Any [organization] **entity** conducting a horse race [or race meeting] at which
2 pari-mutuel wagering is conducted without a valid license issued pursuant to sections 262.260

3 to 262.270, RSMo, and 313.500 to [313.710] **313.720** shall upon conviction be guilty of a class
4 B felony.

313.620. 1. The commission shall prescribe by rule the amount and frequency of
2 [application fees and] per day licensing fees for racetracks where pari-mutuel wagering is
3 permitted.

4 2. The commission may prescribe by rule license fees for race [meets] **meetings** with
5 respect to which pari-mutuel wagering is conducted.

6 3. All funds received from application fees, per day licensing fees and other licensing
7 fees shall be **collected by the commission and transmitted to the department of revenue to**
8 **be** deposited in the [state treasury to the credit of the general revenue fund, and shall not be
9 transferred except by appropriation as provided by the constitution and laws enacted pursuant
10 thereto] **Missouri horse racing fund**.

313.630. 1. **Each licensee shall pay to the commission an admission fee of three**
2 **dollars for each person entering the race meeting grounds. All revenue received by the**
3 **commission from the race meeting grounds admission fee shall be deposited in the state**
4 **treasury by the commission to the credit of the Missouri horse racing fund.**

5 2. In lieu of any state or local sales tax on the gross receipts from admissions paid by
6 persons attending the races and in lieu of any state or local amusement or entertainment tax, there
7 is hereby imposed on each [organization licensed to conduct horse races under the provisions of
8 sections 313.510 to 313.710] **licensee** a tax equal to ten percent of all moneys received each day
9 from admissions paid by persons attending the [races] **race meeting** for deposit in the [state
10 treasury to the credit of the general revenue fund. The general assembly shall appropriate money
11 from general revenue, up to one-half of the amount credited annually pursuant to this section,
12 to municipalities and counties in the area in which races are conducted to assist the funding of
13 services and facilities required by the conduct of racing in such municipality or county. Any
14 county or municipal racing authority shall be subject to the rules and regulations of the
15 commission] **Missouri horse racing fund**.

313.631. Every [organization licensed to conduct horse races under the provisions of
2 sections 262.260 to 262.270, RSMo, and 313.500 to 313.710] **licensee** shall so keep its books
3 and records as to clearly show the true number of admissions **to its race meeting**, the total
4 amount of money contributed to each pari-mutuel pool on each race [separately] **run at its track,**
5 **the total amount of money contributed to each pari-mutuel pool on which it accepts**
6 **wagers**, and the amount of money received daily from admission fees and within thirty days after
7 the conclusion of every [race meeting] **month**, shall submit to the commission a complete
8 accounting of all such receipts and admissions.

[313.632. All contracts and agreements for the payment of money and all

2 salaries, fees and compensation paid by any organization licensed as hereinbefore
3 provided, and all proposed extensions, additions, or improvements to the buildings,
4 stables, improvements or tracks upon property owned or leased by such licensee shall
5 be subject to the approval of the commission.]

2 313.640. 1. Every individual participating in horse racing, whether as a [racetrack]
3 licensee, holder of any interest in a [racetrack license] **licensee**, association employee,
4 concessionaire contract holder, and owner or general manager of same, concessionaire employee,
5 or racing official, and all other individuals whose duties require them to be present on
6 [association premises] **race meeting grounds** during racing hours, or to regularly visit such
7 premises during racing hours, are required to have an occupation license from the commission
8 authorizing them to be employed on the licensed premises and to practice their business,
9 profession, or skill. The following individuals are not required to obtain an occupation license:
10 (1) Public officers and public employees engaged in the performance of their official
11 duties; and
12 (2) Individuals exempted by the commission.

13 License applicants shall be required to furnish to the commission a set of fingerprints and a
14 recent photograph and shall be required to be refingerprinted or rephotographed periodically.

15 2. Each application for an occupation license shall be on forms prescribed by the
16 commission. Such occupation license, when issued, shall be for a period up to one year, except
17 that the commission in its discretion may grant up to three-year licenses. **An occupational**
18 **license shall not be granted unless the applicant has, through clear and convincing**
19 **evidence, demonstrated his or her suitability to be licensed. The commission may reopen**
20 **occupational licensing hearings at any time.** The application shall be accompanied by a
21 license fee which shall be set by the commission. Each applicant **for an occupational license**
22 shall set forth in the application his **or her** full name and address, and if he **or she** has been
23 issued prior occupation licenses or has been licensed in any other state under any other name,
24 such name, his **or her** age, whether a permit or license issued to him **or her** in any other state
25 has been suspended or revoked and if so whether such suspension or revocation is in effect at the
26 time of the application, and such other information as the commission may require. [The
27 commission shall also determine fees for registration of stable names. Fees collected for
28 registration of stable names shall be deposited in the state treasury to the credit of general
29 revenue and subject to appropriation as provided by law.]

30 3. The commission may in its discretion refuse an occupation license to any individual:
31 (1) Who has been convicted of a crime;
32 (2) Who is unqualified to perform the duties required of such applicant;
33 (3) Who fails to disclose or states falsely any information called for in the application;

34 (4) Who has been found guilty of a violation of sections 313.500 to [313.710] **313.720**
35 or of the rules and regulations of the commission;

36 (5) Whose occupation license or permit has been suspended, revoked, or denied for just
37 cause in any state;

38 (6) Who is a past or present member or participant in organized crime as such
39 membership or participant may be found or determined by the commission;

40 (7) Who is an illegal alien;

41 (8) Who is an employee of the commission or any spouse, child, brother, sister, or parent
42 of an employee or member of the commission; or

43 (9) For any other just cause.

44 4. The commission may suspend or revoke any occupation license:

45 (1) For violation of any of the provisions of sections 313.500 to [313.710] **313.720**; or

46 (2) For violation of any of the rules or regulations of the commission; or

47 (3) For any cause which, if known to the commission, would have justified the
48 commission in refusing to issue such occupation license; or

49 (4) For any other just cause.

50 5. [At least eighty percent of all individuals employed directly at each and every race
51 meeting by an organization licensed to conduct horse racing under sections 313.500 to 313.710
52 shall be residents of the state of Missouri for a period of ninety days next preceding the date of
53 employment and during the course of employment.

54 6.] In acting on applications for organization licenses, the commission shall require all
55 applicants to implement a good faith affirmative action effort to recruit, train, and upgrade
56 minorities in all classifications of employment by the applicant. The applicant shall furnish the
57 commission with a description of plans for compliance with all laws pertaining to discrimination,
58 equal employment, and affirmative action; policies regarding recruitment, use, and advancement
59 of minorities; policies with respect to minority contracting; a copy of Equal Employment
60 Opportunity Statement and Policy of the applicant dated and signed by the chief executive
61 officer; and a copy of Affirmative Action Policy and Procedures dated and signed; and
62 identification of the affirmative action officer, including name, title, address, and telephone
63 number.

313.652. 1. Any [organization licensed by the commission to conduct a horse race
2 meeting] **licensee** may provide places in the race meeting grounds or enclosure and may conduct
3 and supervise therein the pari-mutuel system of wagering by patrons [of] **on** the [horse] races
4 conducted by such organization licensee at such **race meeting or on simulcasts**.

5 2. No other [place or] method of betting, pool making, wagering, or gambling shall be
6 used or permitted by the [racetrack] licensee. Each [racetrack] licensee shall deduct the

7 following amounts on all **live** races conducted by it: eighteen percent of the regular mutuel pool,
8 twenty percent of the multiple mutuel pool involving two horses, and twenty-five percent of the
9 multiple mutuel pool involving three or more horses. **Simulcasting shall be taxed at the same**
10 **rate as live racing as provided in sections 313.652 & 313.655.** "Regular mutuel pool" means
11 a separate wagering pool in which an interest is represented by a single ticket evidencing a single
12 wager on one horse. "Multiple mutuel pool" means a separate wagering pool in which an interest
13 is represented by a single wager on two or more horses. For the first one hundred million dollars
14 of the total pari-mutuel pool for [the licensed race meeting] **live races**, each racetrack licensee
15 shall apply the amounts deducted as follows:

16 (1) One percent of the regular mutuel pools, one and one-quarter percent of the multiple
17 mutuel pools involving two horses, and one and one-half percent of the multiple mutuel pools
18 involving three or more horses shall be paid to the commission;

19 (2) Eight percent of the regular mutuel pools, eight and three-quarters percent of the
20 multiple mutuel pools involving two horses, and eleven percent of the multiple mutuel pools
21 involving three or more horses shall be allocated for purse money. The formula for distribution
22 of the purse money shall be determined by an agreement between an organization representing
23 **a majority of** the horsemen and the tracks, the agreement to be subject to the approval of the
24 commission;

25 (3) One-half of one percent of the regular mutuel pools, three-quarters of one percent of
26 the multiple mutuel pools involving two horses, and one percent of the multiple mutuel pools
27 involving three or more horses shall be [used for breeder incentives. The method of payment and
28 distribution of breeder incentives shall be set forth by the commission in rules] **paid to the**
29 **Missouri breeders fund**;

30 (4) Eight and one-half percent of the regular mutuel pools, nine and one-quarter percent
31 of the multiple mutuel pools involving two horses, and eleven and one-half percent of the
32 multiple mutuel pools involving three or more horses shall be retained by the licensee.

33 3. For the next fifty million dollars of the total pari-mutuel pool for the [licensed race
34 meeting] **live races in the twelve-month period**, each racetrack licensee shall apply the amount
35 deducted as follows:

36 (1) Two percent of the regular mutuel pools, two percent of the multiple mutuel pools
37 involving two horses, and two percent of the multiple mutuel pools involving three or more
38 horses shall be paid to the commission;

39 (2) Seven and one-half percent of the regular mutuel pools, eight and one-half percent
40 of the multiple mutuel pools involving two horses, and ten and one-half percent of the multiple
41 mutuel pools involving three or more horses shall be allocated for purse money. The formula
42 for distribution of the purse money shall be determined by an agreement between an organization

43 representing the horsemen and the tracks, the agreement to be subject to the approval of the
44 commission;

45 (3) One-half of one percent of the regular mutuel pools, three-quarters of one percent of
46 the multiple mutuel pools involving two horses, and one percent of the multiple mutuel pools
47 involving three or more horses shall be [used for breeder incentives. The method of payment and
48 distribution of breeder incentives shall be set forth by the commission in rules] **paid to the**
49 **Missouri breeders fund;**

50 (4) Eight percent of the regular mutuel pools, eight and three-quarters percent of the
51 multiple mutuel pools involving two horses, and eleven and one-half percent of the multiple
52 mutuel pools involving three or more horses shall be retained by the licensee.

53 4. For all amounts of the total pari-mutuel pool for the [licensed race meeting] **live races**
54 **in the twelve-month period** in excess of one hundred fifty million dollars, each racetrack
55 licensee shall apply the amount deducted as follows:

56 (1) Four percent of the regular mutuel pools, four percent of the multiple mutuel pools
57 involving two horses, and four percent of the multiple mutuel pools involving three or more
58 horses shall be paid to the commission;

59 (2) Six and one-half percent of the regular mutuel pools, seven and one-quarter percent
60 of the multiple mutuel pools involving two horses, and nine and one-half percent of the multiple
61 mutuel pools involving three or more horses shall be allocated for purse money. The formula
62 for distribution of the purse money shall be determined by an agreement between an organization
63 representing the horsemen and the tracks, the agreement to be subject to the approval of the
64 commission;

65 (3) One-half of one percent of the regular mutuel pools, three-quarters of one percent of
66 the multiple mutuel pools involving two horses, and one percent of the multiple mutuel pools
67 involving three or more horses shall be [used for breeder incentives. The method of payment and
68 distribution of breeder incentives shall be set forth by the commission in rules] **paid to the**
69 **Missouri breeders fund;**

70 (4) Seven percent of the regular mutuel pools, eight percent of the multiple mutuel pools
71 involving two horses, and ten and one-half percent of the multiple mutuel pools involving three
72 or more horses shall be retained by the licensee.

73 5. Each [racetrack] licensee shall pay to the commission, within three days after each day
74 of racing, a tax at the rate specified in this section on the total amount of money wagered on all
75 races that day. The payment of the tax shall be accompanied by a statement of the [racetrack]
76 licensee, or his **or her** duly authorized agent under oath, showing the amount of money wagered
77 that day.

78 6. Breakage paid in the Missouri horse racing fund shall not be specially allocated for

79 purse money for special races, for breeder and owner awards and for horse racing development;
80 however, breakage may be used for these purposes.

81 7. Unclaimed winnings paid into the Missouri horse racing fund shall not be specially
82 allocated for purse money for special races, for breeder and owner awards and for horse racing
83 development; however, unclaimed winnings may be used for these purposes.

84 [8. All moneys provided for breeder incentives shall not lapse and interest earned on
85 such moneys shall be credited the account. The provisions of section 33.080, RSMo, to the
86 contrary notwithstanding, these funds shall not be transferred and placed to the credit of the
87 general revenue fund at the end of each biennium.]

313.655. 1. [An organization licensed to conduct racing in this state, with the approval
2 of the commission,] **Any licensee** may contract to conduct pari-mutuel wagering on a simulcast
3 of horse races held at racetracks in this state or other states or countries where the conduct of
4 racing and wagering is permitted by law.

5 2. Any wagering made under this section shall take place within the confines of the
6 licensee's [racetrack] **race meeting grounds** pursuant to rules promulgated by the commission.
7 [The licensed racetrack may simulcast up to, but not more than the number of days in which it
8 conducts live racing.] **A licensee may conduct pari-mutuel wagering on simulcasts with no
9 limit on the number or frequency of such simulcasts at locations within its race meeting
10 grounds.**

11 3. Computation of the total takeout and breakage for wagering made under this section
12 shall be the same as that normally applicable to racing conducted by the [licensee] **racetrack at
13 which the races in question are held, as determined by the commission.**

14 4. After deducting from the takeout the applicable tax of this state on the entire **portion
15 of the** pari-mutuel pool **originating within the confines of the licensee's race meeting
16 grounds**, the amount to be paid under the terms of the contract to the racetrack from which the
17 race or races will be simulcast, and the cost of transmission, the remainder shall be allocated in
18 the same proportions as normally applicable to racing conducted by the licensee.

19 5. The terms and conditions of any contract [with a racetrack] **for simulcasting from
20 race meeting grounds** made [under] **pursuant to** this section are subject to the approval of the
21 respective groups which represent a majority of the horsemen racing at the track licensed by the
22 commission [and a majority of the applicable breeders in this state].

23 [6.] The provisions of the Federal Interstate [Horseracing] **Horse Racing** Act of 1978,
24 Title 15, Sections 3001 [through] **to** 3007, [U.S. Code] **U.S.C., as amended**, shall be instructive
25 regarding the intent of this [section] **subsection.**

26 **6. A licensee may contract with a race track or off-track betting system in another
27 jurisdiction outside Missouri so that the licensee's live races are the subject of simulcasting**

28 **outside this state. Pari-mutuel wagering on the licensee's live races is permitted when**
 29 **approved by the licensee and conducted in accordance with the Interstate Horse Racing**
 30 **Act of 1978, Title 15, Section 3001 to 3007, U.S.C. as amended. The revenue that a licensee**
 31 **receives from such simulcast wagering shall be retained by the licensee, subject to a**
 32 **deduction of that amount allocated to purse money as determined by an agreement**
 33 **between the licensee and the organization that represents a majority of the horsemen**
 34 **racing at the track.**

313.660. 1. No individual shall for a fee, directly or indirectly, accept anything of value
 2 to be wagered or to be transmitted or delivered for wager in any pari-mutual system of wagering
 3 on [horse] racing or for a fee deliver anything of value which has been received outside of the
 4 [enclosure of a racetrack holding a horse race licensed under sections 313.500 to 313.710 to be
 5 placed as wagers in the pari-mutual pool within such enclosure.

6 2.] **race meeting grounds licensed pursuant to sections 313.500 to 313.720.** Any
 7 individual violating the provisions of this section shall upon conviction be guilty of a class C
 8 felony.

9 **2. A person is guilty of a class A misdemeanor for any of the following:**

10 **(1) Operating pari-mutuel wagering without a license issued by the commission;**
 11 **or**

12 **(2) Operating pari-mutuel wagering where wagering is permitted other than in the**
 13 **manner specified by sections 313.500 to 313.720.**

313.662. A licensee shall allow patrons to cash an outstanding pari-mutuel ticket
 2 **for a given race up to one hundred eighty days from the date on which said race is made**
 3 **official. Tickets which are not redeemed within such time become valueless and the sum**
 4 **of money represented by such tickets, including breakage, accrue to the licensee.**

313.670. 1. No [racetrack] licensee shall knowingly permit any individual under the age
 2 of eighteen years unless accompanied by a parent or guardian over the age of eighteen to be
 3 admitted to any pari-mutual wagering area during a race meeting, nor shall any [racetrack]
 4 licensee knowingly permit any person under the age of eighteen years to wager on any [horse]
 5 race conducted by the [organization] licensee.

6 2. No individual under the age of eighteen years shall knowingly make or attempt to
 7 make any wager on any horse race subject to the provisions of sections 262.260 to 262.270,
 8 RSMo, and 313.500 to [313.710] **313.720.**

9 3. Any individual who violates this section shall upon conviction be guilty of a class A
 10 misdemeanor.

[313.710. A program to encourage and award the owners and breeders of
 2 Missouri-bred horses that win horse races in this state may be established by rules

3 and regulations promulgated by the commission.]

2 313.720. 1. There is hereby created a "Missouri Breeders Fund", which shall not
2 represent revenue collected and moneys received by the state. **The fund shall be used to**
3 **establish a program to encourage and reward the owners and breeders of Missouri-bred**
4 **horses that win races in this state. Such a program may be established by rules and**
5 **regulations promulgated by the commission. The program shall include a "Missouri-**
6 **Bred" event within two years of the first race held and such event will be held at least five**
7 **times each calendar year or such greater number as prescribed by the commission.**

8 2. The fund shall consist of those funds set aside for breeder incentives as provided in
9 [section 313.710] **sections 313.500 to 313.720**, such registration fees for the owners and breeders
10 of Missouri-bred horses as the commission may provide by rule, such gifts, or bequests as the
11 fund may from time to time receive and such funds as the general assembly may provide. [Any
12 gift or bequest shall be credited to such account as the donor or devisee may provide. If no
13 specific account is provided by the donor or designee, such gift or bequest shall be divided
14 equally among the three accounts.]

15 3. The Missouri breeders fund shall be administered by the commission, with the advice
16 and assistance of advisory committees designated for that purpose by the rules of the
17 commission. The commission shall, at least biennially, carry out such audits as provided by rule.
18 The costs of administration shall be borne by the fund. The commission shall have authority to
19 promulgate such rules as may be necessary or desirable for the efficient operation of the Missouri
20 breeders fund and to provide incentives for breeders and owners of Missouri-bred horses.

21 4. The Missouri breeders fund shall not lapse and the interest earned on such fund shall
22 be credited to the fund. The provisions of section 33.080, RSMo, to the contrary
23 notwithstanding, funds in the Missouri breeders fund shall not be transferred and placed to the
24 credit of the general revenue fund at the end of each biennium. **No gaming devices or practices**
25 **shall be allowed on the race meeting grounds, other than those necessary for pari-mutuel**
26 **racing.**

Section 1. The district shall award at least twenty-five percent of the aggregate
2 **dollar amount of all contracts to provide goods and services to the commission to minority**
3 **business enterprises as defined by the office of administration. No contract awarded or**
4 **entered into by the director may be assigned by the holder thereof except by specific**
5 **approval of the commission. Any contract awarded to any horse race commission**
6 **contractor or vendor shall provide that such contractor or vendor shall award a minimum**
7 **of twenty-five percent of subcontracted business to minority business enterprises as defined**
8 **by the office of administration.**