

SECOND REGULAR SESSION

HOUSE BILL NO. 1731

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES DAY (Sponsor), NANCE, ATKINS, WHITE, HIGDON, ELMER, WELLS, WIELAND, SOLON, RUZICKA, RICHARDSON, COOKSON, MEADOWS, FITZWATER, CAUTHORN, BROWN (85), FISHER, HOSKINS AND FREDERICK (Co-sponsors).

5770L.02I

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 313.321 and 313.835, RSMo, and to enact in lieu thereof two new sections relating to the gaming moneys.

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

Section A. Sections 313.321 and 313.835, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 313.321 and 313.835, to read as follows:

313.321. 1. The money received by the Missouri state lottery commission from the sale
2 of Missouri lottery tickets and from all other sources shall be deposited in the "State Lottery
3 Fund", which is hereby created in the state treasury. At least forty-five percent, in the aggregate,
4 of the money received from the sale of Missouri lottery tickets shall be appropriated to the
5 Missouri state lottery commission and shall be used to fund prizes to lottery players. **At least
6 thirty-two percent, in the aggregate, of the money received from the sale of lottery tickets
7 shall be appropriated to education, with twenty-seven percent to general education and five
8 percent to early childhood development.** Amounts in the state lottery fund may be
9 appropriated to the Missouri state lottery commission for administration, advertising, promotion,
10 and retailer compensation. The general assembly shall appropriate remaining moneys not
11 previously allocated from the state lottery fund by transferring such moneys to the general
12 revenue fund. The lottery commission shall make monthly transfers of moneys not previously
13 allocated from the state lottery fund to the general revenue fund as provided by appropriation.

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.

14 2. The commission may also purchase and hold title to any securities issued by the
15 United States government or its agencies and instrumentalities thereof that mature within the
16 term of the prize for funding multi-year payout prizes.

17 3. The "Missouri State Lottery Imprest Prize Fund" is hereby created. This fund is to be
18 established by the state treasurer and funded by warrants drawn by the office of administration
19 from the state lottery fund in amounts specified by the commission. The commission may write
20 checks and disburse moneys from this fund for the payment of lottery prizes only and for no
21 other purpose. All expenditures shall be made in accordance with rules and regulations
22 established by the office of administration. Prize payments may also be made from the state
23 lottery fund. Prize payouts made pursuant to this section shall be subject to the provisions of
24 section 143.781; and prize payouts made pursuant to this section shall be subject to set off for
25 delinquent child support payments as assessed by a court of competent jurisdiction or pursuant
26 to section 454.410. Prize payouts made under this section shall be subject to set off for unpaid
27 health care services provided by hospitals and health care providers under the procedure
28 established in section 143.790.

29 4. Funds of the state lottery commission not currently needed for prize money,
30 administration costs, commissions and promotion costs shall be invested by the state treasurer
31 in interest-bearing investments in accordance with the investment powers of the state treasurer
32 contained in chapter 30. All interest earned by funds in the state lottery fund shall accrue to the
33 credit of that fund.

34 5. No state or local sales tax shall be imposed upon the sale of lottery tickets or shares
35 of the state lottery or on any prize awarded by the state lottery. No state income tax or local
36 earnings tax shall be imposed upon any lottery game prizes which accumulate to an amount of
37 less than six hundred dollars during a prize winner's tax year. The state of Missouri shall
38 withhold for state income tax purposes from a lottery game prize or periodic payment of six
39 hundred dollars or more an amount equal to four percent of the prize.

40 6. The director of revenue is authorized to enter into agreements with the lottery
41 commission, in conjunction with the various state agencies pursuant to sections 143.782 to
42 143.788, in an effort to satisfy outstanding debts to the state from the lottery winning of any
43 person entitled to receive lottery payments which are subject to federal withholding. The director
44 of revenue is also authorized to enter into agreements with the lottery commission in conjunction
45 with the department of health and senior services pursuant to section 143.790 in an effort to
46 satisfy outstanding debts owed to hospitals and health care providers for unpaid health care
47 services of any person entitled to receive lottery payments which are subject to federal
48 withholding.

49 7. In addition to the restrictions provided in section 313.260, no person, firm, or
50 corporation whose primary source of income is derived from the sale or rental of sexually
51 oriented publications or sexually oriented materials or property shall be licensed as a lottery
52 game retailer and any lottery game retailer license held by any such person, firm, or corporation
53 shall be revoked.

 313.835. All revenue received by the commission from license fees, penalties,
2 administrative fees, reimbursement by any excursion gambling boat operators for services
3 provided by the commission and admission fees authorized pursuant to the provisions of sections
4 313.800 to 313.850, except that portion of the admission fee, not to exceed one cent, that may
5 be appropriated to the compulsive gamblers fund as provided in section 313.820, shall be
6 deposited in the state treasury to the credit of the "Gaming Commission Fund" which is hereby
7 created for the sole purpose of funding the administrative costs of the commission, subject to
8 appropriation. Moneys deposited into this fund shall not be considered proceeds of gambling
9 operations. Moneys deposited into the gaming commission fund shall be considered state funds
10 pursuant to article IV, section 15 of the Missouri Constitution. All interest received on the
11 gaming commission fund shall be credited to the gaming commission fund. In each fiscal year,
12 total revenues to the gaming commission fund for the preceding fiscal year shall be compared
13 to total expenditures and transfers from the gaming commission fund for the preceding fiscal
14 year. The remaining net proceeds in the gaming commission fund shall be distributed in the
15 following manner:

16 (1) The first five hundred thousand dollars shall be appropriated on a per capita basis to
17 cities and counties that match the state portion and have demonstrated a need for funding
18 community neighborhood organization programs for the homeless and to deter gang-related
19 violence and crimes;

20 (2) The remaining net proceeds in the gaming commission fund for fiscal year 1999 and
21 each fiscal year thereafter shall be distributed as follows:

22 (a) The first four and one-half million dollar portion shall be transferred to the access
23 Missouri financial assistance fund, established pursuant to the provisions of sections 173.1101
24 to 173.1107, and additional moneys as annually appropriated by the general assembly shall be
25 appropriated to such fund;

26 (b) The second three million dollar portion shall be transferred to the veterans'
27 commission capital improvement trust fund created in section 42.300;

28 (c) The third [three] **seven million five hundred thousand** dollar portion shall be
29 transferred to the Missouri national guard trust fund created in section 41.214;

30 (d) Subject to appropriations, one hundred percent of remaining net proceeds in the
31 gaming commission fund [except as provided in paragraphs (e) and (f) of this subdivision, and]

32 , after the appropriations **are** made pursuant to the provisions of paragraphs (a), (b), and (c) of
33 this subdivision, shall be transferred to the [early childhood development, education and care
34 fund created in section 161.215;

35 (e) When the remaining net proceeds, as such term is used pursuant to paragraph (d) of
36 this subdivision, in the gaming commission fund annually exceeds twenty-eight million dollars:
37 one-half million dollars of such proceeds shall be transferred annually, subject to appropriation,
38 to the access Missouri financial assistance fund, established pursuant to the provisions of
39 sections 173.1101 to 173.1107; three million dollars of such proceeds shall be transferred
40 annually, subject to appropriation, to the veterans' commission capital improvement trust fund;
41 and one million dollars of such proceeds shall be transferred annually, subject to appropriation,
42 to the Missouri national guard trust fund created in section 41.214;

43 (f) Beginning in fiscal year 2011 and each fiscal year thereafter when the funding for
44 early childhood education under paragraph (d) of this subdivision equals the funding level for
45 early childhood education under paragraph (d) of this subdivision in fiscal year 2009, one-half
46 of the next one million two hundred thousand dollars of such proceeds shall be transferred
47 annually, subject to appropriation, to the veterans commission capital improvement trust fund
48 for the purpose of funding veterans' service officer programs identified under subdivision (5) of
49 subsection 1 of section 42.300, and the other half of the one million two hundred thousand
50 dollars shall be transferred annually, subject to appropriation, to the early childhood
51 development, education and care fund created in section 161.215] **veterans' commission capital**
52 **improvement trust fund.**

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