

HB 2318 -- SPORTS WAGERING

SPONSOR: Christofanelli

COMMITTEE ACTION: Voted "Do Pass" by the Special Committee on Government Oversight by a vote of 8 to 1.

This bill enacts new provisions relating to sport wagering.

The bill modifies the definition of "Games of skill" to include sports wagering (Section 313.800, RSMo).

The bill allows licensed facilities to offer sports wagering in person at the licensed facility or over the internet via an interactive sports wagering platform to persons physically located in this state.

The Missouri Gaming Commission (Commission) shall adopt rules to implement the provisions of the bill and all rules must comply with Chapter 536, RSMo. Rules adopted under this section include the standards and procedures to govern sports wagering conduct, standards for offering internet sports wagering to patrons physically located in Missouri, maintaining and auditing of books and financial records, and standards concerning the detection and prevention of compulsive gambling (Section 313.1003).

A person licensed to operate an excursion gambling boat in this state can apply to the Commission for a certificate of authority to conduct sports wagering. The applicant shall pay an application fee of \$50,000 (Section 313.1006).

Certificate holders shall ensure that the certificate holder's surveillance system covers all areas in which sports wagering is conducted, allow the Commission to be present through gaming agents during the hours sports wagering is conducted, ensure that individuals under the age of 21 are not making sports wagers, provide certain information to sports wagering patrons, and post a sign indicating the minimum and maximum amounts that may be wagered (Section 313.1004).

The Commission must test new sports wagering devices and new forms. Certificate holders shall designate an area within the licensed facility for conducting sports wagering. A certificate holder may contract with up to 3 branded interactive sports wagering platforms to conduct sports wagering at the certificate holder's licensed facility. Sports wagering may be conducted with negotiable currency. A certificate holder will determine the minimum and maximum wagers in sports wagering (Section 313.1008).

An interactive sports wagering platform, as defined, must apply to the Commission for authority to offer sports wagering on behalf of a certificate holder. Such interactive sports wagering platform shall submit an application fee of \$50,000. Each year after licensure, an interactive sports wagering platform shall submit an annual license renewal fee of \$20,000 (Section 313.1010).

A certificate holder must verify that individuals under the age of 21 are not making sports wagers. The Commission shall promulgate rules for a sports wagering self-exclusion program, as described in the bill. The Commission shall also promulgate rules to ensure that advertisements for sports wagering do not target minors or other persons who are ineligible to place wagers, problem gamblers, or other vulnerable persons (Section 313.1012).

The Commission shall conduct background checks on individuals seeking licenses under these sections. Such background checks shall include a search for criminal history and any charges or convictions involving corruption or manipulation of sporting events. The bill provides a list of individuals who are prohibited from engaging in sports wagering, including anyone that owns at least 5% of the sports governing body or member teams. Anyone with at least 5% ownership that places or accepts any wager for a member team is guilty of a class C misdemeanor.

The Commission and certificate holders must cooperate with investigations conducted by law enforcement agencies. A sports governing body may notify the Commission that it desires to restrict, limit, or exclude sports wagers, as defined in the bill, on its sporting events (Section 313.1014).

A certificate holder must maintain records of all bets and wagers placed through an interactive sports wagering platform, and all bets and wagers placed in person that exceed \$10,000 in a 24-hour period, including personally identifiable information of the bettor, the amount and type of bet, the time the bet was placed, the location of the bet, the outcome of the bet, and records of abnormal betting activity for at least three years after the sporting event occurs (Section 313.1016).

A wagering tax of six and three-fourths of one percent is imposed on the adjusted gross receipts received from sports wagering conducted by a certificate holder. Such tax shall be remitted one day prior to the last business day of each month. Revenues received from the tax shall be deposited in the "Gaming Proceeds for Education Fund".

A certificate holder shall also pay to the Commission an annual administrative fee of \$20,000. In addition to such administrative

fee, a certificate holder shall pay to the Commission a fee of \$10,000 every five years for a reinvestigation of the certificate holder. Such fees shall be deposited into the newly created "Sports Wagering Fund" (Section 313.1021).

All sports wagers placed under this bill shall be deemed to be initiated, received, and otherwise made on the property of an excursion gambling boat in this state. The intermediate routing of electronic data shall not determine the location or locations in which such wager is initiated, received, or otherwise made (Section 313.1022).

This bill is similar to HB 2088 (2020).

PROPOSERS: Supporters say that the bill allows sports wagering by casinos and allows online betting on phones. There will be geographic and age limits, and royalty fees for major leagues for integrity of system. The wagering tax of 6.75% matches other states. Official league data will be used. Money goes to schools. All states around us have this. Legal sports betting is here to stay and will be legal in all states soon. This bill will provide small businesses an additional revenue stream. The economic impact to Missouri is unknown.

Testifying for the bill were Representative Christofanelli; Missouri Gaming Association; and Todd George, Penn National Gaming.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say we want a legal environment, with protections, fan access to league data, and to penalize bad actors. Missouri would be paying for the rights to the league data and it will be good data for gamblers to use.

Testifying on the bill was Kansas City Chiefs.