

HB 2556 -- SPORTS WAGERING

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This bill enacts new provisions relating to sports wagering.

This bill modifies the definition of "games of skill" to now include "sports wagering" and the definition of "adjusted gross receipts" to exclude adjusted gross receipts from "sports wagering" in Section 313.800, RSMo. This bill instead provides a definition of "adjusted gross receipts" as used in the bill in relation to sports wagering operations.

This bill provides that sports wagering in the state may be offered by a licensed certificate holder, as defined in the bill, in person at a licensed facility and over the internet through an interactive sports wagering platform to anyone physically located within the state. Except as provided in the bill, sports wagering commercial activity is prohibited from occurring in any designated sports district without the approval of the designated sports district mobile licensee applicable to such district.

The Missouri Gaming Commission shall adopt rules, regulations, and standards necessary to implement the provisions of this bill. Such rules and regulations shall include, but not be limited to:

- (1) Standards and procedures to govern the conduct of sports wagering;
- (2) Standards governing how a sports wagering operator offers sports wagering over the internet;
- (3) The manner in which a sports wagering operator's books and financial records relating to sports wagering are maintained and audited; and
- (4) Standards concerning the detection and prevention of compulsive gambling.

This section requires any sports wagering operator to make commercially reasonable efforts to:

- (1) Designate areas within the licensed facility operated by the sports wagering operator if the sports wagering operator is a licensed facility that is an excursion gambling boat;
- (2) Ensure the security and integrity of sports wagers accepted through any interactive sports wagering platform operated or authorized by such sports wagering operator;

(3) Ensure that the sports wagering operator's surveillance system covers all areas of the in-person sports wagering activity conducted within a licensed facility that is an excursion gambling boat;

(4) Allow the commission to be present through the commission's gaming agents when sports wagering is conducted in all areas of the sports wagering operator's licensed facility that is an excursion gambling boat to ensure maximum security of the sports wagering revenue, certify the sports wagering revenue, and receive complaints from the public;

(5) Ensure that wager results are determined only from data provided by the licensed sports wagering suppliers;

(6) Establish house rules specifying the amounts to be paid on winning wagers, the effect of schedule changes and display house rules as specified.

(7) Establish industry-standard procedures regarding the voiding or canceling of sports wagers post the procedures in the operator's internal controls and house rules.

Any sports governing body or entity maintaining official league data may notify the Commission that league data for settling tier 2 bets is available for sports wagering operators. The Commission shall notify sports wagering operators of the availability of such league data. Each sports wagering operator shall only use such data when available, except as provided in the bill.

The Commission may enter into agreements with other jurisdictions to facilitate, administer, and regulate multi-jurisdictional sports betting to the extent such agreements are consistent with applicable state and federal laws.

To offer sports wagering under the provisions of this bill, a licensed applicant must submit an application in the form and manner prescribed by the Commission and pay an initial application fee of \$50,000 that will be deposited into the Gaming Commission Fund.

The Commission shall test and authorize new sports wagering devices and new forms, variations, or composites. Sports wagering operators may only offer such new devices, forms, variations, or composites that have been approved by the Commission.

An excursion gambling boat licensed facility may offer sports wagering through up to three individually branded interactive

sports wagering platforms. A sports wagering operator may contract with one or more interactive sports wagering platform operators to administer any or all of the interactive sports wagering platforms on the licensed facility's behalf. Each designated and licensed sports district mobile licensee may offer sports wagering in the state through one interactive sports wagering platform.

Sports wagering may be conducted with negotiable currency. A sports wagering operator shall establish minimum and maximum wager amounts through internal controls or house rules. A sports wagering operator may lay off one or more sports wagers subject to rules promulgated by the Commission for offsetting losses or managing risk.

An applicant for an interactive sports wagering platform license shall submit an application to the Commission in the manner and form as prescribed by the Commission and pay an initial application fee of \$100,000. Such licensee shall also pay a license renewal fee of \$50,000 every two years. Except as required by the provisions of this bill or by court order, information relating to the license application shall remain confidential.

The Commission shall conduct background checks on all persons seeking a license under the provisions of this bill that include a search for criminal history and any charges or convictions related to corruption or manipulation of sporting events.

The Commission shall adopt rules and regulations for a sports wagering self-exclusion program. The Commission shall adopt rules relating to the advertisement of sports wagering as described in the bill. A sports wagering operator shall employ commercially reasonable methods to preserve the integrity of sports wagering activities as described in the bill.

The Commission and each sports wagering operator shall cooperate with investigations conducted by law enforcement or sports governing bodies given good and sufficient reason. Sports governing bodies and sports wagering operators shall maintain the confidentiality of materials produced and comply with all applicable privacy laws relating to such investigations.

A sports wagering operator shall maintain for at least three years information, including personally identifiable information of the patron and information relating to the wager, for all wagers placed in person in excess of \$10,000. The operator shall make such information available upon request by the Commission or pursuant to court order.

A wagering tax of 10% is imposed upon the adjusted gross receipts,

as defined, received from sports wagering. The payment of such tax shall be by an electronic funds transfer by an automated clearing house.

Revenues received pursuant to this tax shall be deposited into the state treasury with the first \$250,000 being allocated to the Commission to support the state's problem gambling programs. All remaining revenues shall be deposited into the "Gaming Proceeds for Education Fund".

Licensed facilities and designated sports districts shall pay to the Commission an annual administrative fee of \$20,000 to be deposited by the Commission into the Sports Wagering Fund, established under the bill. Additionally, a certificate holder shall pay to the Commission \$10,000 every five years for the costs of a full reinvestigation of the certificate holder.

Only to the extent required by federal law, all servers necessary for the placement or resolution of wagers, other than backup servers, shall be physically located with the certificate holder's licensed facility. The intermediate routing of electronic data relating to lawful intrastate sports wagers shall not determine the location in which such wagers is initiated, received, or otherwise made.