

By: Representative Smith (27th)

To: Gaming; Ways and Means

HOUSE BILL NO. 386

1 AN ACT TO CREATE A STATE LOTTERY; TO PROVIDE THAT THE STATE
 2 LOTTERY SHALL BE ADMINISTERED BY THE MISSISSIPPI GAMING
 3 COMMISSION; TO PROVIDE THE POWERS AND DUTIES OF THE MISSISSIPPI
 4 GAMING COMMISSION REGARDING THE STATE LOTTERY; TO PROVIDE FOR THE
 5 DISPOSITION OF PROCEEDS RECEIVED FROM THE SALE OF LOTTERY TICKETS;
 6 TO PROVIDE THAT THE LOTTERY MAY BE CONDUCTED IN ANY COUNTY OF THE
 7 STATE THAT ELECTS TO PARTICIPATE IN THE LOTTERY; TO PROVIDE THE
 8 PROCEDURE FOR AN ELECTION TO BE CONDUCTED IN A COUNTY TO DETERMINE
 9 WHETHER THE COUNTY WILL PARTICIPATE IN THE LOTTERY; TO CREATE THE
 10 TEACHER AND STATE EMPLOYEE PAY RAISE TRUST FUND INTO WHICH A
 11 PORTION OF THE PROCEEDS COLLECTED FROM THE SALE OF LOTTERY TICKETS
 12 SHALL BE DEPOSITED; TO PROVIDE THAT THE INVESTMENT EARNINGS FROM
 13 THE TEACHER AND STATE EMPLOYEE PAY RAISE TRUST FUND MAY BE
 14 APPROPRIATED BY THE LEGISLATURE FOR THE PURPOSE OF PROVIDING FUNDS
 15 FOR TEACHER AND STATE EMPLOYEE PAY RAISES; TO AMEND SECTIONS
 16 67-1-71, 75-76-3, 75-76-5, 97-33-9, 97-33-11, 97-33-13, 97-33-21,
 17 97-33-23, 97-33-31, 97-33-33, 97-33-35, 97-33-37, 97-33-39,
 18 97-33-41, 97-33-43, 97-33-45, 97-33-47 AND 97-33-49, MISSISSIPPI
 19 CODE OF 1972, IN CONFORMITY TO THE PROVISIONS OF THIS ACT; TO
 20 AMEND SECTION 27-65-111, MISSISSIPPI CODE OF 1972, TO EXEMPT FROM
 21 SALES TAXATION THE SALE OF LOTTERY TICKETS; AND FOR RELATED
 22 PURPOSES.

23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

24 **SECTION 1.** As used in Sections 1 through 3 of this act, the
 25 following words and phrases shall have the meanings ascribed in
 26 this section unless the context clearly indicates otherwise:

27 (a) "Commission" means the Mississippi Gaming
 28 Commission.

29 (b) "Distributor" means any person authorized by the
 30 Mississippi Gaming Commission to distribute lottery tickets to
 31 retailers. A person having a gaming license issued under Section
 32 75-76-1 et seq., may be a distributor.

33 (c) "Lottery" means any activity approved by the
 34 Mississippi Gaming Commission in which:

35 (i) The player or players pay or agree to pay
 36 something of value for chances, represented and differentiated by
 37 tickets, slips of paper or other physical and tangible

38 documentation upon which appear numbers, symbols, characters or
39 other distinctive marks used to identify and designate the winner
40 or winners;

41 (ii) The winning chance or chances are to be
42 determined by a drawing or similar selection method based
43 predominately upon the element of chance or random selection
44 rather than upon the skill or judgment of the player or players;

45 (iii) The holder or holders of the winning chance
46 or chances are to receive a prize or something of valuable
47 consideration; and

48 (iv) The activity is conducted and participated in
49 without regard to geographical location, with the player or
50 players not being required to be present upon any particular
51 premises or at any particular location in order to participate or
52 to win.

53 (d) "Person" means any association, corporation, firm,
54 partnership, trust or other form or business association as well
55 as a natural person.

56 (e) "Retailer" means any person authorized by the
57 Mississippi Gaming Commission to sell lottery tickets to the
58 public. A person having a gaming license issued under Section
59 75-76-1 et seq., may be a retailer if located in a county that has
60 elected to participate in the state lottery.

61 **SECTION 2.** (1) There is created and established a state
62 lottery which shall be conducted in each county that elects to
63 participate pursuant to Section 3 of this act.

64 (2) The Mississippi Gaming Commission shall administer the
65 state lottery and shall have the authority to:

66 (a) Prescribe the method and form of application which
67 an applicant for a distributor's license or retailer's license, or
68 both, must follow and complete before consideration of his
69 application by the commission;

70 (b) Prescribe guidelines for the review of applications
71 for licenses and the approval or disapproval of such applications;
72 (c) Require an applicant to pay all or any part of the
73 fees and costs of investigation of such applicant as may be
74 determined by the commission, except that no applicant for an
75 initial license shall be required to pay any part of the fees or
76 costs of the investigation of the applicant with regard to the
77 initial license;
78 (d) Prescribe the manner and method of collection and
79 payment of fees and issuance of licenses;
80 (e) Prescribe conditions under which a licensee may be
81 subject to or revocation or suspension of his license;
82 (f) Prescribe guidelines regarding the conduct of
83 specific lottery games, including, but not limited to:
84 (i) The types of games to be conducted;
85 (ii) The sale price of tickets;
86 (iii) The number and amount of prizes;
87 (iv) The method and location of selecting or
88 validating winning tickets;
89 (v) The frequency and means of conducting drawings
90 which shall be open to the public;
91 (vi) The manner of payment of prizes;
92 (vii) The frequency of games and drawings; and
93 (viii) Any other matters necessary or desirable
94 for the efficient and effective operation of lottery games;
95 (g) Enter into contracts with distributors for the
96 distribution of lottery tickets to retailers; and
97 (h) Take any action necessary for the implementation
98 and administration of the provisions of Sections 1 and 2 of this
99 act and promulgate rules and regulations necessary for the
100 implementation and administration of the provisions of Sections 1
101 and 2 of this act.

102 (3) No ticket shall knowingly be sold to any person under
103 the age of eighteen (18), but this subsection (3) does not
104 prohibit the purchase of a ticket by a person eighteen (18) years
105 of age or older for the purpose of making a gift to any person of
106 any age. In such case, the commission shall direct payment to an
107 adult member of the person's family or the legal guardian of the
108 person on behalf of such person.

109 (4) The proceeds received from the sale of lottery tickets,
110 less a percentage determined by the commission to be retained by a
111 retailer selling a ticket, shall be remitted to the commission on
112 a monthly basis. The commission shall deposit the proceeds into
113 the State Treasury on the day collected. At the end of each
114 month, the commission shall certify the total proceeds collected
115 from the sale of lottery tickets to the State Treasurer who shall
116 distribute such collections as follows:

117 (a) Two percent (2%) of the proceeds collected during
118 the preceding month from the sale of lottery tickets within a
119 county shall be allocated for distribution to such county and paid
120 to such county.

121 (b) Eight percent (8%) of the proceeds collected during
122 the preceding month from the sale of lottery tickets in the state
123 shall be deposited into the Teacher and State Employee Pay Raise
124 Trust Fund created in Section 4 of this act.

125 (c) A percentage, as determined by the commission, of
126 the proceeds collected during the preceding month from the sale of
127 lottery tickets in the state shall be allocated for distribution
128 to the commission and paid to the commission to defray the costs
129 of administering the provisions of Sections 1 and 2 of this act.

130 (d) The remainder of the proceeds collected during the
131 preceding month from the sale of lottery tickets in the state
132 shall be allocated for distribution and distributed evenly to all
133 of the counties in the state.

134 SECTION 3. (1) A county may participate in the lottery only
135 after an affirmative vote to do so at an election called and
136 conducted in the manner prescribed in this section.

137 (2) If a petition is filed with the circuit clerk of a
138 county signed by at least twenty percent (20%) or fifteen hundred
139 (1500), whichever is less, of the registered voters of the county
140 requesting that the county participate in the lottery, the board
141 of supervisors of such county shall authorize the circuit clerk to
142 hold an election on the proposition of allowing the lottery to be
143 conducted in the county. The referendum shall be held not less
144 than thirty (30) days nor more than sixty (60) days after the
145 certification by the circuit clerk to the board of supervisors of
146 signatures and of the percentage; however, if the petition is
147 certified within ninety (90) days of a general election, the
148 referendum shall be held at the same time as the general election.
149 The referendum shall be advertised, held and conducted and the
150 result thereof canvassed in the manner provided by law for
151 advertising, holding and canvassing county elections.

152 (3) At such election, all qualified electors of such county
153 may vote. The ballots used at such election shall have printed
154 thereon a brief statement of the purpose of the election and the
155 words "FOR A LOTTERY IN THE COUNTY AS PRESCRIBED BY LAW" and
156 "AGAINST A LOTTERY IN THE COUNTY AS PRESCRIBED BY LAW." The voter
157 shall vote by placing a cross (x) or check mark (√) opposite his
158 choice on the proposition. If a majority of the qualified
159 electors who vote in such election shall vote in favor of allowing
160 the lottery to be conducted in the county, then the lottery may
161 henceforth be conducted in the county as prescribed by law. If
162 less than a majority of the qualified electors who vote in such
163 election shall vote in favor of allowing the lottery to be
164 conducted in the county, then the lottery shall be prohibited in
165 the county and no subsequent election shall be held for one (1)
166 year.

167 **SECTION 4.** (1) There is created in the State Treasury a
168 special fund to be designated as the "Teacher and State Employee
169 Pay Raise Trust Fund," into which shall be deposited such funds as
170 provided in Section 2(4)(b) of this act. All investment earnings
171 or interest earned on amounts in the fund shall be deposited to
172 the credit of the fund. Amounts remaining in the fund at the end
173 of a fiscal year shall not lapse into the State General Fund.

174 (2) The Teacher and State Employee Pay Raise Trust Fund
175 shall remain inviolate and shall never be expended, except as
176 provided in this section. Beginning in fiscal year 2006 and for
177 each subsequent fiscal year, the Legislature may appropriate from
178 the Teacher and State Employee Pay Raise Trust Fund an amount not
179 greater than the aggregate investment earnings and interest earned
180 during the preceding fiscal year on amounts in the fund. Such
181 appropriation shall be for the purpose of providing funds for
182 teacher and state employee pay raises but shall not be considered
183 to be the only source for providing funds for such pay raises.

184 **SECTION 5.** Section 67-1-71, Mississippi Code of 1972, is
185 amended as follows:

186 67-1-71. The commission may revoke or suspend any permit
187 issued by it for a violation by the permittee of any of the
188 provisions of this chapter or of the regulations promulgated under
189 it by the commission.

190 Permits must be revoked or suspended for the following
191 causes:

192 (a) Conviction of the permittee for the violation of
193 any of the provisions of this chapter;

194 (b) Willful failure or refusal by any permittee to
195 comply with any of the provisions of this chapter or of any rule
196 or regulation adopted pursuant thereto;

197 (c) The making of any materially false statement in any
198 application for a permit;

199 (d) Conviction of one or more of the clerks, agents or
200 employees of the permittee, of any violation of this chapter upon
201 the premises covered by such permit within a period of time as
202 designated by the rules or regulations of the commission;

203 (e) The possession on the premises of any retail
204 permittee of any alcoholic beverages upon which the tax has not
205 been paid;

206 (f) The willful failure of any permittee to keep the
207 records or make the reports required by this chapter, or to allow
208 an inspection of such records by any duly authorized person;

209 (g) The suspension or revocation of a permit issued to
210 the permittee by the federal government, or conviction of
211 violating any federal law relating to alcoholic beverages;

212 (h) The failure to furnish any bond required by this
213 chapter within fifteen (15) days after notice from the commission;
214 and

215 (i) The conducting of any form of illegal gambling on
216 the premises of any permittee or on any premises connected
217 therewith or the presence on any such premises of any gambling
218 device with the knowledge of the permittee.

219 The provisions of paragraph (i) of this section shall not
220 apply to gambling or the presence of any gambling devices, with
221 knowledge of the permittee, on board a cruise vessel in the waters
222 within the State of Mississippi, which lie adjacent to the State
223 of Mississippi south of the three (3) most southern counties in
224 the State of Mississippi, or on any vessel as defined in Section
225 27-109-1 whenever such vessel is on the Mississippi River or
226 navigable waters within any county bordering on the Mississippi
227 River. The commission may, in its discretion, issue on-premises
228 retailer's permits to a common carrier of the nature described in
229 this paragraph.

230 The provisions of paragraph (i) of this section shall not
231 apply to the operation of any game or lottery authorized by
232 Sections 1 through 3 of House Bill No. _____, 2006 Regular Session.

233 No permit shall be revoked except after a hearing by the
234 commission with reasonable notice to the permittee and an
235 opportunity for him to appear and defend.

236 In addition to the causes specified in this section and other
237 provisions of this chapter, the commission shall be authorized to
238 suspend the permit of any permit holder for being out of
239 compliance with an order for support, as defined in Section
240 93-11-153. The procedure for suspension of a permit for being out
241 of compliance with an order for support, and the procedure for the
242 reissuance or reinstatement of a permit suspended for that
243 purpose, and the payment of any fees for the reissuance or
244 reinstatement of a permit suspended for that purpose, shall be
245 governed by Section 93-11-157 or 93-11-163, as the case may be.
246 If there is any conflict between any provision of Section
247 93-11-157 or 93-11-163 and any provision of this chapter, the
248 provisions of Section 93-11-157 or 93-11-163, as the case may be,
249 shall control.

250 **SECTION 6.** Section 75-76-3, Mississippi Code of 1972, is
251 amended as follows:

252 75-76-3. (1) The provisions of this chapter shall not be
253 construed to legalize any form of gaming which is prohibited under
254 the Mississippi Constitution or the laws of this state. All legal
255 gaming which is conducted in this state and which is otherwise
256 authorized by law shall be regulated and licensed pursuant to the
257 provisions of this chapter, unless the Legislature specifically
258 provides otherwise. Nothing in this chapter shall be construed as
259 encouraging the legalization of gambling in this state.

260 (2) The Legislature hereby finds and declares that lotteries
261 and gaming both consist of the material element of chance. The
262 Legislature is * * * permitted by virtue of its inherent powers to

263 legislate upon lotteries and gaming as the occasion arises. The
264 Legislature derives its power to legislate upon lotteries and
265 gaming or gambling devices from its inherent authority over the
266 morals and policy of the people * * *.

267 (3) The Legislature hereby finds, and declares it to be the
268 public policy of this state, that:

269 (a) Regulation of lotteries and licensed gaming is
270 important in order that it be conducted honestly and
271 competitively, that the rights of the creditors of licensees are
272 protected and that it is free from criminal and corruptive
273 elements.

274 (b) Public confidence and trust can only be maintained
275 by strict regulation of all persons, locations, practices,
276 associations and activities related to the operation of lotteries
277 and licensed gaming establishments and the manufacture or
278 distribution of gambling devices and equipment.

279 (c) All establishments where lotteries or gaming, or
280 both, are conducted and * * * manufacturers, sellers and
281 distributors of certain lottery and gaming devices and equipment
282 must therefore be licensed, controlled and assisted to protect the
283 public health, safety, morals, good order and general welfare of
284 the inhabitants of the state.

285 (4) It is the intent of the Legislature that gaming
286 licensees and any entity authorized to conduct a lottery, to the
287 extent practicable, employ residents of Mississippi as * * *
288 employees * * * in the operation of their * * * establishments
289 located in this state.

290 (5) No applicant for a license or other affirmative
291 commission approval has any right to a license or the granting of
292 the approval sought. Any license issued or other commission
293 approval granted pursuant to the provisions of this chapter is a
294 revocable privilege, and no holder acquires any vested right
295 therein or thereunder.

296 * * *

297 **SECTION 7.** Section 75-76-5, Mississippi Code of 1972, is
298 amended as follows:

299 75-76-5. As used in this chapter, unless the context
300 requires otherwise:

301 (a) "Applicant" means any person who has applied for or
302 is about to apply for a state gaming license, registration or
303 finding of suitability under the provisions of this chapter or
304 approval of any act or transaction for which approval is required
305 or permitted under the provisions of this chapter.

306 (b) "Application" means a request for the issuance of a
307 state gaming license, registration or finding of suitability under
308 the provisions of this chapter or for approval of any act or
309 transaction for which approval is required or permitted under the
310 provisions of this chapter but does not include any supplemental
311 forms or information that may be required with the application.

312 (c) "Associated equipment" means any equipment or
313 mechanical, electromechanical or electronic contrivance, component
314 or machine used remotely or directly in connection with gaming or
315 with any game, race book or sports pool that would not otherwise
316 be classified as a gaming device, including dice, playing cards,
317 links which connect to progressive slot machines, equipment which
318 affects the proper reporting of gross revenue, computerized
319 systems of betting at a race book or sports pool, computerized
320 systems for monitoring slot machines, and devices for weighing or
321 counting money.

322 (d) "Chairman," through September 30, 1993, means the
323 Chairman of the State Tax Commission, and thereafter means the
324 Chairman of the Mississippi Gaming Commission.

325 (e) "Commission" or "Mississippi Gaming Commission,"
326 through September 30, 1993, means the State Tax Commission, and
327 thereafter means the Mississippi Gaming Commission.

328 (f) "Commission member," through September 30, 1993,
329 means a member of the State Tax Commission, and thereafter means a
330 member of the Mississippi Gaming Commission.

331 (g) "Credit instrument" means a writing which evidences
332 a gaming debt owed to a person who holds a license at the time the
333 debt is created, and includes any writing taken in consolidation,
334 redemption or payment of a prior credit instrument.

335 (h) "Enforcement division" means a particular division
336 supervised by the executive director that provides enforcement
337 functions.

338 (i) "Establishment" means any premises wherein or
339 whereon any gaming is done.

340 (j) "Executive director," through September 30, 1993,
341 means the director appointed by the State Tax Commission pursuant
342 to Section 75-76-15(1), and thereafter means the Executive
343 Director of the Mississippi Gaming Commission.

344 (k) Except as otherwise provided by law, "game," or
345 "gambling game" means any banking or percentage game played with
346 cards, with dice or with any mechanical, electromechanical or
347 electronic device or machine for money, property, checks, credit
348 or any representative of value, including, without limiting the
349 generality of the foregoing, faro, monte, roulette, keno, fan-tan,
350 twenty-one, blackjack, seven-and-a-half, big injun, klondike,
351 craps, poker, chuck-a-luck (dai shu), wheel of fortune, chemin de
352 fer, baccarat, pai gow, beat the banker, panguingui, slot machine,
353 or any other game or device approved by the commission. However,
354 "game" or "gambling game" shall not include bingo games or raffles
355 which are held pursuant to the provisions of Section 97-33-51, or
356 any games or lottery authorized by Sections 1 through 3 of House
357 Bill No. ____, 2006 Regular Session.

358 The commission shall not be required to recognize any game
359 hereunder with respect to which the commission determines it does
360 not have sufficient experience or expertise.

361 (1) "Gaming" or "gambling" means to deal, operate,
362 carry on, conduct, maintain or expose for play any game as defined
363 in this chapter.

364 (m) "Gaming device" means any mechanical,
365 electromechanical or electronic contrivance, component or machine
366 used in connection with gaming or any game which affects the
367 result of a wager by determining win or loss. The term includes a
368 system for processing information which can alter the normal
369 criteria of random selection, which affects the operation of any
370 game, or which determines the outcome of a game. The term does
371 not include a system or device which affects a game solely by
372 stopping its operation so that the outcome remains undetermined,
373 and does not include any antique coin machine as defined in
374 Section 27-27-12.

375 (n) "Gaming employee" means any person connected
376 directly with the operation of a gaming establishment licensed to
377 conduct any game, including:

- 378 (i) Boxmen;
- 379 (ii) Cashiers;
- 380 (iii) Change personnel;
- 381 (iv) Counting room personnel;
- 382 (v) Dealers;
- 383 (vi) Floormen;
- 384 (vii) Hosts or other persons empowered to extend
385 credit or complimentary services;
- 386 (viii) Keno runners;
- 387 (ix) Keno writers;
- 388 (x) Machine mechanics;
- 389 (xi) Security personnel;
- 390 (xii) Shift or pit bosses;
- 391 (xiii) Shills;
- 392 (xiv) Supervisors or managers; and
- 393 (xv) Ticket writers.

394 The term "gaming employee" also includes employees of
395 manufacturers or distributors of gaming equipment within this
396 state whose duties are directly involved with the manufacture,
397 repair or distribution of gaming equipment.

398 "Gaming employee" does not include bartenders, cocktail
399 waitresses or other persons engaged in preparing or serving food
400 or beverages unless acting in some other capacity.

401 (o) "Gaming license" means any license issued by the
402 state which authorizes the person named therein to engage in
403 gaming.

404 (p) "Gross revenue" means the total of all of the
405 following, less the total of all cash paid out as losses to
406 patrons and those amounts paid to purchase annuities to fund
407 losses paid to patrons over several years by independent financial
408 institutions:

409 (i) Cash received as winnings;

410 (ii) Cash received in payment for credit extended
411 by a licensee to a patron for purposes of gaming; and

412 (iii) Compensation received for conducting any
413 game in which the licensee is not party to a wager.

414 For the purposes of this definition, cash or the value of
415 noncash prizes awarded to patrons in a contest or tournament are
416 not losses.

417 The term does not include:

418 (i) Counterfeit money or tokens;

419 (ii) Coins of other countries which are received
420 in gaming devices;

421 (iii) Cash taken in fraudulent acts perpetrated
422 against a licensee for which the licensee is not reimbursed; or

423 (iv) Cash received as entry fees for contests or
424 tournaments in which the patrons compete for prizes.

425 (q) "Hearing examiner" means a member of the
426 Mississippi Gaming Commission or other person authorized by the
427 commission to conduct hearings.

428 (r) "Investigation division" means a particular
429 division supervised by the executive director that provides
430 investigative functions.

431 (s) "License" means a gaming license or a
432 manufacturer's, seller's or distributor's license.

433 (t) "Licensee" means any person to whom a valid license
434 has been issued.

435 (u) "License fees" means monies required by law to be
436 paid to obtain or continue a gaming license or a manufacturer's,
437 seller's or distributor's license.

438 (v) "Licensed gaming establishment" means any premises
439 licensed pursuant to the provisions of this chapter wherein or
440 whereon gaming is done.

441 (w) "Manufacturer's," "seller's" or "distributor's"
442 license means a license issued pursuant to Section 75-76-79.

443 (x) "Navigable waters" shall have the meaning ascribed
444 to such term under Section 27-109-1.

445 (y) "Operation" means the conduct of gaming.

446 (z) "Party" means the Mississippi Gaming Commission and
447 any licensee or other person appearing of record in any proceeding
448 before the commission; or the Mississippi Gaming Commission and
449 any licensee or other person appearing of record in any proceeding
450 for judicial review of any action, decision or order of the
451 commission.

452 (aa) "Person" includes any association, corporation,
453 firm, partnership, trust or other form of business association as
454 well as a natural person.

455 (bb) "Premises" means land, together with all
456 buildings, improvements and personal property located thereon, and
457 includes all parts of any vessel or cruise vessel.

458 (cc) "Race book" means the business of accepting wagers
459 upon the outcome of any event held at a track which uses the
460 pari-mutuel system of wagering.

461 (dd) "Regulation" means a rule, standard, directive or
462 statement of general applicability which effectuates law or policy
463 or which describes the procedure or requirements for practicing
464 before the commission. The term includes a proposed regulation
465 and the amendment or repeal of a prior regulation but does not
466 include:

467 (i) A statement concerning only the internal
468 management of the commission and not affecting the rights or
469 procedures available to any licensee or other person;

470 (ii) A declaratory ruling;

471 (iii) An interagency memorandum;

472 (iv) The commission's decision in a contested case
473 or relating to an application for a license; or

474 (v) Any notice concerning the fees to be charged
475 which are necessary for the administration of this chapter.

476 (ee) "Respondent" means any licensee or other person
477 against whom a complaint has been filed with the commission.

478 (ff) "Slot machine" means any mechanical, electrical or
479 other device, contrivance or machine which, upon insertion of a
480 coin, token or similar object, or upon payment of any
481 consideration, is available to play or operate, the play or
482 operation of which, whether by reason of the skill of the operator
483 or application of the element of chance, or both, may deliver or
484 entitle the person playing or operating the machine to receive
485 cash, premiums, merchandise, tokens or anything of value, whether
486 the payoff is made automatically from the machine or in any other
487 manner. The term does not include any antique coin machine as
488 defined in Section 27-27-12.

489 (gg) "Sports pool" means the business of accepting
490 wagers on sporting events, except for athletic events, by any

491 system or method of wagering other than the system known as the
492 "pari-mutuel method of wagering."

493 (hh) "Temporary work permit" means a work permit which
494 is valid only for a period not to exceed ninety (90) days from its
495 date of issue and which is not renewable.

496 (ii) "Vessel" or "cruise vessel" shall have the
497 meanings ascribed to such terms under Section 27-109-1.

498 (jj) "Work permit" means any card, certificate or
499 permit issued by the commission, whether denominated as a work
500 permit, registration card or otherwise, authorizing the employment
501 of the holder as a gaming employee. A document issued by any
502 governmental authority for any employment other than gaming is not
503 a valid work permit for the purposes of this chapter.

504 (kk) "School or training institution" means any school
505 or training institution which is licensed by the commission to
506 teach or train gaming employees pursuant to Section 75-76-34.

507 (ll) "Cheat" means to alter the selection of criteria
508 that determine:

509 (i) The rules of a game; or

510 (ii) The amount or frequency of payment in a game.

511 **SECTION 8.** Section 97-33-9, Mississippi Code of 1972, is
512 amended as follows:

513 97-33-9. If any person shall be guilty of keeping or
514 exhibiting any game or gaming table commonly called A.B.C. or E.O.
515 roulette or rowley-powley, or rouge et noir, roredo, keno, monte,
516 or any faro-bank, or other game, gaming table, or bank of the same
517 or like kind or any other kind or description under any other name
518 whatever, or shall be in any manner either directly or indirectly
519 interested or concerned in any gaming tables, banks, or games,
520 either by furnishing money or articles for the purpose of carrying
521 on the same, being interested in the loss or gain of said table,
522 bank or games, or employed in any manner in conducting, carrying
523 on, or exhibiting said gaming tables, games, or banks, every

524 person so offending and being thereof convicted, shall be fined
525 not less than Twenty-five Dollars (\$25.00) nor more than Two
526 Thousand Dollars (\$2,000.00), or be imprisoned in the county jail
527 not longer than two (2) months, or by both such fine and
528 imprisonment, in the discretion of the court. Nothing in this
529 section shall apply to any person who owns, possesses, controls,
530 installs, procures, repairs or transports any gambling device,
531 machine or equipment in accordance with subsection (4) of Section
532 97-33-7 or Section 75-76-34.

533 This section shall not apply to the operation of any game or
534 lottery authorized by Sections 1 through 3 of House Bill No. _____,
535 2006 Regular Session.

536 **SECTION 9.** Section 97-33-11, Mississippi Code of 1972, is
537 amended as follows:

538 97-33-11. It shall not be lawful for any association of
539 persons of the character commonly known as a "club," whether such
540 association be incorporated or not, in any manner, either directly
541 or indirectly, to have any interest or concern in any gambling
542 tables, banks, or games, by means of what is sometimes called a
543 "rake-off" or "take-out," or by means of an assessment upon
544 certain combinations, or hands at cards, or by means of a
545 percentage extracted from players, or an assessment made upon, or
546 a contribution from them, or by any other means, device or
547 contrivance whatsoever. It shall not be lawful for such an
548 association to lend or advance money or any other valuable thing
549 to any person engaged or about to engage in playing any game of
550 chance prohibited by law, or to become responsible directly or
551 indirectly for any money or other valuable thing lost, or which
552 may be lost, by any player in any such game. If any such
553 association shall violate any of the provisions of this section
554 each and every member thereof shall be guilty of a misdemeanor,
555 and, upon conviction thereof, shall be fined in a sum not more
556 than Five Hundred Dollars (\$500.00); and unless such fine and

557 costs be immediately paid, shall be imprisoned in the county jail
558 for not less than five (5) nor more than twenty (20) days. Each
559 grand jury shall cause such of the members of such an association
560 as it may choose to appear before them and submit to examination
561 touching the observance or nonobservance by such association of
562 the provisions hereof.

563 This section shall not apply to the operation of any game or
564 lottery authorized by Sections 1 through 3 of House Bill No. _____,
565 2006 Regular Session.

566 **SECTION 10.** Section 97-33-13, Mississippi Code of 1972, is
567 amended as follows:

568 97-33-13. Any owner, lessee, or occupant of any outhouse or
569 other building, who shall knowingly permit or suffer any of the
570 before mentioned tables, banks, or games, or any other game
571 prohibited by law, to be carried on, kept, or exhibited in his
572 said house or other building, or on his lot or premises, being
573 thereof convicted, shall be fined not less than One Hundred
574 Dollars (\$100.00) nor more than Two Thousand Dollars (\$2,000.00).

575 This section shall not apply to the operation of any game or
576 lottery authorized by Sections 1 through 3 of House Bill No. _____,
577 2006 Regular Session.

578 **SECTION 11.** Section 97-33-21, Mississippi Code of 1972, is
579 amended as follows:

580 97-33-21. Any person of full age who shall bet any money or
581 thing of any value with a minor, or allow a minor to bet at any
582 game or gaming-table exhibited by him, or in which he is
583 interested or in any manner concerned, on conviction thereof,
584 shall be fined not less than Three Hundred Dollars (\$300.00) and
585 imprisoned not less than three (3) months.

586 This section shall apply to minors under the age of eighteen
587 (18) as it might apply to the operation of any game or lottery
588 authorized by Sections 1 through 3 of House Bill No. _____, 2006
589 Regular Session.

590 **SECTION 12.** Section 97-33-23, Mississippi Code of 1972, is
591 amended as follows:

592 97-33-23. Any person of full age who shall bet any money or
593 thing of value with a minor, knowing such minor to be under the
594 age of twenty-one (21) years, or allowing any such minor to bet at
595 any game or games, or at any gaming-table exhibited by him, or in
596 which he is interested or in any manner concerned, on conviction
597 thereof, shall be punished by imprisonment in the Penitentiary not
598 exceeding two (2) years.

599 This section shall apply to minors under the age of eighteen
600 (18) as it might apply to the operation of any game or lottery
601 authorized by Sections 1 through 3 of House Bill No. ____, 2006
602 Regular Session.

603 **SECTION 13.** Section 97-33-31, Mississippi Code of 1972, is
604 amended as follows:

605 97-33-31. If any person, in order to raise money for himself
606 or another, or for any purpose whatever, shall publicly or
607 privately put up a lottery to be drawn or adventured for, he
608 shall, on conviction, be imprisoned in the Penitentiary not
609 exceeding five (5) years.

610 This section shall not apply to the operation of any game or
611 lottery authorized by Sections 1 through 3 of House Bill No. ____,
612 2006 Regular Session.

613 **SECTION 14.** Section 97-33-33, Mississippi Code of 1972, is
614 amended as follows:

615 97-33-33. If any person shall in any way advertise any
616 lottery whatever, no matter where located, or shall knowingly have
617 in his possession any posters or other lottery advertisements of
618 any kind save a regularly issued newspaper containing such an
619 advertisement without intent to circulate the same as an
620 advertisement he shall, on conviction, be fined not less than
621 Twenty-five Dollars (\$25.00) nor more than One Hundred Dollars

622 (\$100.00), or be imprisoned in the county jail not exceeding three
623 (3) months, or both.

624 This section shall not apply to the operation of any game or
625 lottery authorized by Sections 1 through 3 of House Bill No. _____,
626 2006 Regular Session.

627 **SECTION 15.** Section 97-33-35, Mississippi Code of 1972, is
628 amended as follows:

629 97-33-35. If any newspaper published or circulated in this
630 state shall contain an advertisement of any lottery whatever, or
631 any matter intended to advertise a lottery, no matter where
632 located, the editor or editors, publisher or publishers, and the
633 owner or owners thereof permitting the same, shall be guilty of a
634 misdemeanor, and, on conviction, shall be fined not less than One
635 Hundred Dollars (\$100.00) nor more than One Thousand Dollars
636 (\$1,000.00), and be imprisoned in the county jail not less than
637 ten (10) days nor more than three (3) months, for each offense.
638 The issuance of each separate daily or weekly edition of the
639 newspaper that shall contain such an advertisement shall be
640 considered a separate offense.

641 This section shall not apply to the operation of any game or
642 lottery authorized by Sections 1 through 3 of House Bill No. _____,
643 2006 Regular Session.

644 **SECTION 16.** Section 97-33-37, Mississippi Code of 1972, is
645 amended as follows:

646 97-33-37. If any newsdealer or other person shall, directly
647 or indirectly, sell or offer for sale any newspaper or other
648 publication containing a lottery advertisement, he shall be guilty
649 of a misdemeanor, and upon conviction, shall be fined not less
650 than Ten Dollars (\$10.00) or imprisoned not less than ten (10)
651 days, or both.

652 This section shall not apply to the operation of any game or
653 lottery authorized by Sections 1 through 3 of House Bill No. _____,
654 2006 Regular Session.

655 **SECTION 17.** Section 97-33-39, Mississippi Code of 1972, is
656 amended as follows:

657 97-33-39. If any person shall sell, or offer or expose for
658 sale, any lottery ticket, whether the lottery be in or out of this
659 state, or for or in any other state, territory, district, or
660 country, he shall, on conviction, be fined not less than
661 Twenty-five Dollars (\$25.00) nor more than One Hundred Dollars
662 (\$100.00), or imprisoned in the county jail not less than ten (10)
663 days nor more than sixty (60) days, or both.

664 This section shall not apply to the operation of any game or
665 lottery authorized by Sections 1 through 3 of House Bill No. _____,
666 2006 Regular Session.

667 **SECTION 18.** Section 97-33-41, Mississippi Code of 1972, is
668 amended as follows:

669 97-33-41. If any person shall buy in this state any lottery
670 ticket, whether the lottery be in or out of this state, or of or
671 in any other state, territory, district, or country, he shall, on
672 conviction, be fined not less than Five Dollars (\$5.00) nor more
673 than Twenty-five Dollars (\$25.00), or be imprisoned in the county
674 jail not exceeding ten (10) days, or both.

675 This section shall not apply to the operation of any game or
676 lottery authorized by Sections 1 through 3 of House Bill No. _____,
677 2006 Regular Session.

678 **SECTION 19.** Section 97-33-43, Mississippi Code of 1972, is
679 amended as follows:

680 97-33-43. If any railroad company shall suffer or permit the
681 sale of a lottery ticket of any kind on its cars, or at its depots
682 or depot grounds, or by its employees, no matter where the lottery
683 is located, it shall be guilty of a misdemeanor, and, on
684 conviction, shall be fined not less than Twenty Dollars (\$20.00)
685 nor more than One Hundred Dollars (\$100.00) for every such ticket
686 so sold.

687 This section shall not apply to the operation of any game or
688 lottery authorized by Sections 1 through 3 of House Bill No. _____,
689 2006 Regular Session.

690 **SECTION 20.** Section 97-33-45, Mississippi Code of 1972, is
691 amended as follows:

692 97-33-45. If the owner or owners of any steamboat shall
693 suffer or permit the sale of a lottery ticket of any kind on his
694 or their boat, or by his or their employees, no matter where the
695 lottery is located, he or they shall be guilty of a misdemeanor,
696 and shall, on conviction, be punished as prescribed in Section
697 97-33-43.

698 This section shall not apply to the operation of any game or
699 lottery authorized by Sections 1 through 3 of House Bill No. _____,
700 2006 Regular Session.

701 **SECTION 21.** Section 97-33-47, Mississippi Code of 1972, is
702 amended as follows:

703 97-33-47. If any person shall act as agent for any lottery
704 or lottery company, no matter where domiciled or located, or if he
705 shall assume to so act as agent, or if he receive any money or
706 other thing for any such lottery or lottery company, or deliver to
707 any person any ticket or tickets, prize or prizes, or other thing
708 from such lottery or lottery company, he shall, on conviction, be
709 fined not less than One Hundred Dollars (\$100.00), nor more than
710 Five Hundred Dollars (\$500.00), and be imprisoned in the county
711 jail not less than three (3) months nor more than six (6) months.

712 This section shall not apply to the operation of any game or
713 lottery authorized by Sections 1 through 3 of House Bill No. _____,
714 2006 Regular Session.

715 **SECTION 22.** Section 97-33-49, Mississippi Code of 1972, is
716 amended as follows:

717 97-33-49. Except as otherwise provided in Section 97-33-51,
718 if any person, in order to raise money for himself or another,
719 shall publicly or privately put up or in any way offer any prize

720 or thing to be raffled or played for, he shall, on conviction, be
721 fined not more than Twenty Dollars (\$20.00), or be imprisoned not
722 more than one (1) month in the county jail.

723 This section shall not apply to the operation of any game or
724 lottery authorized by Sections 1 through 3 of House Bill No. _____,
725 2006 Regular Session.

726 **SECTION 23.** Section 27-65-111, Mississippi Code of 1972, is
727 amended as follows:

728 27-65-111. The exemptions from the provisions of this
729 chapter which are not industrial, agricultural or governmental, or
730 which do not relate to utilities or taxes, or which are not
731 properly classified as one of the exemption classifications of
732 this chapter, shall be confined to persons or property exempted by
733 this section or by the Constitution of the United States or the
734 State of Mississippi. No exemptions as now provided by any other
735 section, except the classified exemption sections of this chapter
736 set forth herein, shall be valid as against the tax herein levied.
737 Any subsequent exemption from the tax levied hereunder, except as
738 indicated above, shall be provided by amendments to this section.

739 No exemption provided in this section shall apply to taxes
740 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

741 The tax levied by this chapter shall not apply to the
742 following:

743 (a) Sales of tangible personal property and services to
744 hospitals or infirmaries owned and operated by a corporation or
745 association in which no part of the net earnings inures to the
746 benefit of any private shareholder, group or individual, and which
747 are subject to and governed by Sections 41-7-123 through 41-7-127.

748 Only sales of tangible personal property or services which
749 are ordinary and necessary to the operation of such hospitals and
750 infirmaries are exempted from tax.

751 (b) Sales of daily or weekly newspapers, and
752 periodicals or publications of scientific, literary or educational

753 organizations exempt from federal income taxation under Section
754 501(c)(3) of the Internal Revenue Code of 1954, as it exists as of
755 March 31, 1975, and subscription sales of all magazines.

756 (c) Sales of coffins, caskets and other materials used
757 in the preparation of human bodies for burial.

758 (d) Sales of tangible personal property for immediate
759 export to a foreign country.

760 (e) Sales of tangible personal property to an
761 orphanage, old men's or ladies' home, supported wholly or in part
762 by a religious denomination, fraternal nonprofit organization or
763 other nonprofit organization.

764 (f) Sales of tangible personal property, labor or
765 services taxable under Sections 27-65-17, 27-65-19 and 27-65-23,
766 to a YMCA, YWCA, a Boys' or Girls' Club owned and operated by a
767 corporation or association in which no part of the net earnings
768 inures to the benefit of any private shareholder, group or
769 individual.

770 (g) Sales to elementary and secondary grade schools,
771 junior and senior colleges owned and operated by a corporation or
772 association in which no part of the net earnings inures to the
773 benefit of any private shareholder, group or individual, and which
774 are exempt from state income taxation, provided that this
775 exemption does not apply to sales of property or services which
776 are not to be used in the ordinary operation of the school, or
777 which are to be resold to the students or the public.

778 (h) The gross proceeds of retail sales and the use or
779 consumption in this state of drugs and medicines:

780 (i) Prescribed for the treatment of a human being
781 by a person authorized to prescribe the medicines, and dispensed
782 or prescription filled by a registered pharmacist in accordance
783 with law; or

784 (ii) Furnished by a licensed physician, surgeon,
785 dentist or podiatrist to his own patient for treatment of the
786 patient; or

787 (iii) Furnished by a hospital for treatment of any
788 person pursuant to the order of a licensed physician, surgeon,
789 dentist or podiatrist; or

790 (iv) Sold to a licensed physician, surgeon,
791 podiatrist, dentist or hospital for the treatment of a human
792 being; or

793 (v) Sold to this state or any political
794 subdivision or municipal corporation thereof, for use in the
795 treatment of a human being or furnished for the treatment of a
796 human being by a medical facility or clinic maintained by this
797 state or any political subdivision or municipal corporation
798 thereof.

799 "Medicines," as used in this paragraph (h), shall mean and
800 include any substance or preparation intended for use by external
801 or internal application to the human body in the diagnosis, cure,
802 mitigation, treatment or prevention of disease and which is
803 commonly recognized as a substance or preparation intended for
804 such use; provided that "medicines" do not include any auditory,
805 prosthetic, ophthalmic or ocular device or appliance, any dentures
806 or parts thereof or any artificial limbs or their replacement
807 parts, articles which are in the nature of splints, bandages,
808 pads, compresses, supports, dressings, instruments, apparatus,
809 contrivances, appliances, devices or other mechanical, electronic,
810 optical or physical equipment or article or the component parts
811 and accessories thereof, or any alcoholic beverage or any other
812 drug or medicine not commonly referred to as a prescription drug.

813 Notwithstanding the preceding sentence of this paragraph (h),
814 "medicines" as used in this paragraph (h), shall mean and include
815 sutures, whether or not permanently implanted, bone screws, bone
816 pins, pacemakers and other articles permanently implanted in the

817 human body to assist the functioning of any natural organ, artery,
818 vein or limb and which remain or dissolve in the body.

819 "Hospital," as used in this paragraph (h), shall have the
820 meaning ascribed to it in Section 41-9-3, Mississippi Code of
821 1972.

822 Insulin furnished by a registered pharmacist to a person for
823 treatment of diabetes as directed by a physician shall be deemed
824 to be dispensed on prescription within the meaning of this
825 paragraph (h).

826 (i) Retail sales of automobiles, trucks and
827 truck-tractors if exported from this state within forty-eight (48)
828 hours and registered and first used in another state.

829 (j) Sales of tangible personal property or services to
830 the Salvation Army and the Muscular Dystrophy Association, Inc.

831 (k) From July 1, 1985, through December 31, 1992,
832 retail sales of "alcohol blended fuel" as such term is defined in
833 Section 75-55-5. The gasoline-alcohol blend or the straight
834 alcohol eligible for this exemption shall not contain alcohol
835 distilled outside the State of Mississippi.

836 (l) Sales of tangible personal property or services to
837 the Institute for Technology Development.

838 (m) The gross proceeds of retail sales of food and
839 drink for human consumption made through vending machines serviced
840 by full line vendors from and not connected with other taxable
841 businesses.

842 (n) The gross proceeds of sales of motor fuel.

843 (o) Retail sales of food for human consumption
844 purchased with food stamps issued by the United States Department
845 of Agriculture, or other federal agency, from and after October 1,
846 1987, or from and after the expiration of any waiver granted
847 pursuant to federal law, the effect of which waiver is to permit
848 the collection by the state of tax on such retail sales of food
849 for human consumption purchased with food stamps.

850 (p) Sales of cookies for human consumption by the Girl
851 Scouts of America no part of the net earnings from which sales
852 inures to the benefit of any private group or individual.

853 (q) Gifts or sales of tangible personal property or
854 services to public or private nonprofit museums of art.

855 (r) Sales of tangible personal property or services to
856 alumni associations of state-supported colleges or universities.

857 (s) Sales of tangible personal property or services to
858 chapters of the National Association of Junior Auxiliaries, Inc.

859 (t) Sales of tangible personal property or services to
860 domestic violence shelters which qualify for state funding under
861 Sections 93-21-101 through 93-21-113.

862 (u) Sales of tangible personal property or services to
863 the National Multiple Sclerosis Society, Mississippi Chapter.

864 (v) Retail sales of food for human consumption
865 purchased with food instruments issued the Mississippi Band of
866 Choctaw Indians under the Women, Infants and Children Program
867 (WIC) funded by the United States Department of Agriculture.

868 (w) Sales of tangible personal property or services to
869 a private company, as defined in Section 57-61-5, which is making
870 such purchases with proceeds of bonds issued under Section 57-61-1
871 et seq., the Mississippi Business Investment Act.

872 (x) The gross collections from the operation of
873 self-service, coin-operated car washing equipment and sales of the
874 service of washing motor vehicles with portable high-pressure
875 washing equipment on the premises of the customer.

876 (y) Sales of tangible personal property or services to
877 the Mississippi Technology Alliance.

878 (z) Sales of lottery tickets by a retailer as
879 authorized by Sections 1 through 3 of House Bill No. ____, 2006
880 Regular Session.

881 **SECTION 24.** The Attorney General of the State of Mississippi
882 shall submit Section 3 of this act, immediately upon approval by

883 the Governor, or upon approval by the Legislature subsequent to a
884 veto, to the Attorney General of the United States or to the
885 United States District Court for the District of Columbia in
886 accordance with the provisions of the Voting Rights Act of 1965,
887 as amended and extended.

888 **SECTION 25.** Sections 1, 2, and 4 through 23 of this act
889 shall take effect and be in force from and after July 1, 2006.
890 Section 3 of this act shall take effect and be in force from and
891 after the date it is effectuated under Section 5 of the Voting
892 Rights Act of 1965, as amended and extended.