

By: Representative Guice

To: Gaming; Ways and Means

## HOUSE BILL NO. 1011

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 AND REQUIRE THAT FIFTY PERCENT OF THE PROCEEDS SHALL BE DEPOSITED  
7 INTO THE GENERAL FUND; TO AMEND SECTIONS 67-1-71, 75-76-3,  
8 75-76-5, 97-33-9, 97-33-11, 97-33-13, 97-33-21, 97-33-23,  
9 97-33-31, 97-33-33, 97-33-35, 97-33-37, 97-33-39, 97-33-41,  
10 97-33-43, 97-33-45, 97-33-47 AND 97-33-49, MISSISSIPPI CODE OF  
11 1972, IN CONFORMITY TO THE PROVISIONS OF THIS ACT; TO AMEND  
12 SECTION 27-65-111, MISSISSIPPI CODE OF 1972, TO EXEMPT FROM SALES  
13 TAXATION THE SALE OF LOTTERY TICKETS; AND FOR RELATED PURPOSES.

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

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

18 (a) "Commission" means the Mississippi Gaming  
19 Commission.

20 (b) "Distributor" means any person authorized by the  
21 Mississippi Gaming Commission to distribute lottery tickets to  
22 retailers. A person having a gaming license issued under Section  
23 75-76-1 et seq., may be a distributor.

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

26 (i) The player or players pay or agree to pay  
27 something of value for chances, represented and differentiated by  
28 tickets, slips of paper or other physical and tangible  
29 documentation upon which appear numbers, symbols, characters or  
30 other distinctive marks used to identify and designate the winner  
31 or winners;

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

36 (iii) The holder or holders of the winning chance  
37 or chances are to receive a prize or something of valuable  
38 consideration; and

39 (iv) The activity is conducted and participated in  
40 without regard to geographical location, with the player or  
41 players not being required to be present upon any particular  
42 premises or at any particular location in order to participate or  
43 to win.

44 (d) "Person" means any association, corporation, firm,  
45 partnership, trust or other form or business association as well  
46 as a natural person.

47 (e) "Retailer" means any person authorized by the  
48 Mississippi Gaming Commission to sell lottery tickets to the  
49 public. A person having a gaming license issued under Section  
50 75-76-1 et seq., may be a retailer if located in a county that has  
51 elected to participate in the state lottery.

52 **SECTION 2.** (1) There is created and established a state  
53 lottery.

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

56 (a) Prescribe the method and form of application which  
57 an applicant for a distributor's license or retailer's license, or  
58 both, must follow and complete before consideration of his  
59 application by the commission;

60 (b) Prescribe guidelines for the review of applications  
61 for licenses and the approval or disapproval of such applications;

62 (c) Require an applicant to pay all or any part of the  
63 fees and costs of investigation of such applicant as may be  
64 determined by the commission, except that no applicant for an

65 initial license shall be required to pay any part of the fees or  
66 costs of the investigation of the applicant with regard to the  
67 initial license;

68 (d) Prescribe the manner and method of collection and  
69 payment of fees and issuance of licenses;

70 (e) Prescribe conditions under which a licensee may be  
71 subject to or revocation or suspension of his license;

72 (f) Prescribe guidelines regarding the conduct of  
73 specific lottery games including, but not limited to:

74 (i) The types of games to be conducted;

75 (ii) The sale price of tickets;

76 (iii) The number and amount of prizes;

77 (iv) The method and location of selecting or  
78 validating winning tickets;

79 (v) The frequency and means of conducting drawings  
80 which shall be open to the public;

81 (vi) The manner of payment of prizes;

82 (vii) The frequency of games and drawings; and

83 (viii) Any other matters necessary or desirable  
84 for the efficient and effective operation of lottery games;

85 (g) Enter into contracts with distributors for the  
86 distribution of lottery ticket to retailers; and

87 (h) Take any and all action necessary for the  
88 implementation and administration of the provisions of Sections 1  
89 and 2 of this act and promulgate rules and regulations necessary  
90 for the implementation and administration of the provisions of  
91 Sections 1 and 2 of this act.

92 (3) No ticket shall knowingly be sold to any person under  
93 the age of eighteen (18), but this subsection (3) does not  
94 prohibit the purchase of a ticket by a person eighteen (18) years  
95 of age or older for the purpose of making a gift to any person of  
96 any age. In such case, the commission shall direct payment to an

97 adult member of the person's family or the legal guardian of the  
98 person on behalf of such person.

99 (4) The proceeds received from the actual sale of lottery  
100 tickets, less a reasonable percentage determined by the commission  
101 to be retained by a retailer selling a ticket, shall be remitted  
102 to the commission on a monthly basis. The commission shall  
103 deposit the proceeds into the State Treasury on the day collected.  
104 At the end of each month, the commission shall certify the total  
105 proceeds collected from the sale of lottery tickets to the State  
106 Treasurer who shall distribute such collections as follows:

107 (a) Forty-five percent (45%) of the proceeds collected  
108 during the preceding month from the sale of lottery tickets in the  
109 state shall be allocated as prize money, to be distributed by the  
110 commission, provided that this provision shall not create any  
111 lien, entitlement, cause of action, or other private right, and  
112 any rights of holders of lottery tickets shall be determined by  
113 the commission in administering the lottery;

114 (b) Five percent (5%) of the proceeds collected during  
115 the preceding month from the sale of lottery tickets in the state  
116 shall be allocated for distribution to the commission and paid to  
117 the commission to defray the costs of administering the provisions  
118 of Sections 1 and 2 of this act;

119 (c) Fifty percent (50%) of the proceeds collected  
120 during the preceding month from the sale of lottery tickets in the  
121 state shall be deposited into the State's General Fund.

122 **SECTION 3.** Section 67-1-71, Mississippi Code of 1972, is  
123 amended as follows:

124 67-1-71. The commission may revoke or suspend any permit  
125 issued by it for a violation by the permittee of any of the  
126 provisions of this chapter or of the regulations promulgated under  
127 it by the commission.

128 Permits must be revoked or suspended for the following  
129 causes:

130 (a) Conviction of the permittee for the violation of  
131 any of the provisions of this chapter;

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

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

137 (d) Conviction of one (1) or more of the clerks, agents  
138 or employees of the permittee, of any violation of this chapter  
139 upon the premises covered by such permit within a period of time  
140 as designated by the rules or regulations of the commission;

141 (e) The possession on the premises of any retail  
142 permittee of any alcoholic beverages upon which the tax has not  
143 been paid;

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

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

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

153 (i) The conducting of any form of illegal gambling on  
154 the premises of any permittee or on any premises connected  
155 therewith or the presence on any such premises of any gambling  
156 device with the knowledge of the permittee.

157 The provisions of paragraph (i) of this section shall not  
158 apply to gambling or the presence of any gambling devices, with  
159 knowledge of the permittee, on board a cruise vessel in the waters  
160 within the State of Mississippi, which lie adjacent to the State  
161 of Mississippi south of the three (3) most southern counties in  
162 the State of Mississippi, or on any vessel as defined in Section

163 27-109-1 whenever such vessel is on the Mississippi River or  
164 navigable waters within any county bordering on the Mississippi  
165 River. The commission may, in its discretion, issue on-premises  
166 retailer's permits to a common carrier of the nature described in  
167 this paragraph.

168 The provisions of paragraph (i) of this section shall not  
169 apply to the operation of any game or lottery authorized by  
170 Sections 1 and 2 of House Bill No. \_\_\_\_, 2006 Regular Session.

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

174 In addition to the causes specified in this section and other  
175 provisions of this chapter, the commission shall be authorized to  
176 suspend the permit of any permit holder for being out of  
177 compliance with an order for support, as defined in Section  
178 93-11-153. The procedure for suspension of a permit for being out  
179 of compliance with an order for support, and the procedure for the  
180 reissuance or reinstatement of a permit suspended for that  
181 purpose, and the payment of any fees for the reissuance or  
182 reinstatement of a permit suspended for that purpose, shall be  
183 governed by Section 93-11-157 or 93-11-163, as the case may be.  
184 If there is any conflict between any provision of Section  
185 93-11-157 or 93-11-163 and any provision of this chapter, the  
186 provisions of Section 93-11-157 or 93-11-163, as the case may be,  
187 shall control.

188 **SECTION 4.** Section 75-76-3, Mississippi Code of 1972, is  
189 amended as follows:

190 75-76-3. (1) The provisions of this chapter shall not be  
191 construed to legalize any form of gaming which is prohibited under  
192 the Mississippi Constitution or the laws of this state. All legal  
193 gaming which is conducted in this state and which is otherwise  
194 authorized by law shall be regulated and licensed pursuant to the  
195 provisions of this chapter, unless the Legislature specifically

196 provides otherwise. Nothing in this chapter shall be construed as  
197 encouraging the legalization of gambling in this state.

198 (2) The Legislature hereby finds and declares that lotteries  
199 and gaming both consist of the material element of chance. The  
200 Legislature is \* \* \* permitted by virtue of its inherent powers to  
201 legislate upon lotteries and gaming as the occasion arises. The  
202 Legislature derives its power to legislate upon lotteries and  
203 gaming or gambling devices from its inherent authority over the  
204 morals and policy of the people \* \* \*.

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

207 (a) Regulation of lotteries and licensed gaming is  
208 important in order that it be conducted honestly and  
209 competitively, that the rights of the creditors of licensees are  
210 protected and that it is free from criminal and corruptive  
211 elements.

212 (b) Public confidence and trust can only be maintained  
213 by strict regulation of all persons, locations, practices,  
214 associations and activities related to the operation of lotteries  
215 and licensed gaming establishments and the manufacture or  
216 distribution of gambling devices and equipment.

217 (c) All establishments where lotteries or gaming, or  
218 both, is conducted and \* \* \* manufacturers, sellers and  
219 distributors of certain lottery and gaming devices and equipment  
220 must therefore be licensed, controlled and assisted to protect the  
221 public health, safety, morals, good order and general welfare of  
222 the inhabitants of the state.

223 (4) It is the intent of the Legislature that gaming  
224 licensees and any entity authorized to conduct a lottery, to the  
225 extent practicable, employ residents of Mississippi as \* \* \*  
226 employees \* \* \* in the operation of their \* \* \* establishments  
227 located in this state.

228           (5) No applicant for a license or other affirmative  
229 commission approval has any right to a license or the granting of  
230 the approval sought. Any license issued or other commission  
231 approval granted pursuant to the provisions of this chapter is a  
232 revocable privilege, and no holder acquires any vested right  
233 therein or thereunder.

234       \* \* \*

235           **SECTION 5.** Section 75-76-5, Mississippi Code of 1972, is  
236 amended as follows:

237           75-76-5. As used in this chapter, unless the context  
238 requires otherwise:

239           (a) "Applicant" means any person who has applied for or  
240 is about to apply for a state gaming license, registration or  
241 finding of suitability under the provisions of this chapter or  
242 approval of any act or transaction for which approval is required  
243 or permitted under the provisions of this chapter.

244           (b) "Application" means a request for the issuance of a  
245 state gaming license, registration or finding of suitability under  
246 the provisions of this chapter or for approval of any act or  
247 transaction for which approval is required or permitted under the  
248 provisions of this chapter but does not include any supplemental  
249 forms or information that may be required with the application.

250           (c) "Associated equipment" means any equipment or  
251 mechanical, electromechanical or electronic contrivance, component  
252 or machine used remotely or directly in connection with gaming or  
253 with any game, race book or sports pool that would not otherwise  
254 be classified as a gaming device, including dice, playing cards,  
255 links which connect to progressive slot machines, equipment which  
256 affects the proper reporting of gross revenue, computerized  
257 systems of betting at a race book or sports pool, computerized  
258 systems for monitoring slot machines, and devices for weighing or  
259 counting money.



260 (d) "Chairman," through September 30, 1993, means the  
261 Chairman of the State Tax Commission, and thereafter means the  
262 Chairman of the Mississippi Gaming Commission.

263 (e) "Commission" or "Mississippi Gaming Commission,"  
264 through September 30, 1993, means the State Tax Commission, and  
265 thereafter means the Mississippi Gaming Commission.

266 (f) "Commission member," through September 30, 1993,  
267 means a member of the State Tax Commission, and thereafter means a  
268 member of the Mississippi Gaming Commission.

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

273 (h) "Enforcement division" means a particular division  
274 supervised by the executive director that provides enforcement  
275 functions.

276 (i) "Establishment" means any premises wherein or  
277 whereon any gaming is done.

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

282 (k) Except as otherwise provided by law, "game," or  
283 "gambling game" means any banking or percentage game played with  
284 cards, with dice or with any mechanical, electromechanical or  
285 electronic device or machine for money, property, checks, credit  
286 or any representative of value, including, without limiting the  
287 generality of the foregoing, faro, monte, roulette, keno, fan-tan,  
288 twenty-one, blackjack, seven-and-a-half, big injun, klondike,  
289 craps, poker, chuck-a-luck (dai shu), wheel of fortune, chemin de  
290 fer, baccarat, pai gow, beat the banker, panguingui, slot machine,  
291 or any other game or device approved by the commission. However,  
292 "game" or "gambling game" shall not include bingo games or raffles

293 which are held pursuant to the provisions of Section 97-33-51, or  
294 any games or lottery authorized by Sections 1 and 2 of House Bill  
295 No. \_\_\_\_, 2006 Regular Session.

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

299 (l) "Gaming" or "gambling" means to deal, operate,  
300 carry on, conduct, maintain or expose for play any game as defined  
301 in this chapter.

302 (m) "Gaming device" means any mechanical,  
303 electromechanical or electronic contrivance, component or machine  
304 used in connection with gaming or any game which affects the  
305 result of a wager by determining win or loss. The term includes a  
306 system for processing information which can alter the normal  
307 criteria of random selection, which affects the operation of any  
308 game, or which determines the outcome of a game. The term does  
309 not include a system or device which affects a game solely by  
310 stopping its operation so that the outcome remains undetermined,  
311 and does not include any antique coin machine as defined in  
312 Section 27-27-12.

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

- 316 (i) Boxmen;
- 317 (ii) Cashiers;
- 318 (iii) Change personnel;
- 319 (iv) Counting room personnel;
- 320 (v) Dealers;
- 321 (vi) Floormen;
- 322 (vii) Hosts or other persons empowered to extend  
323 credit or complimentary services;
- 324 (viii) Keno runners;
- 325 (ix) Keno writers;

- 326 (x) Machine mechanics;
- 327 (xi) Security personnel;
- 328 (xii) Shift or pit bosses;
- 329 (xiii) Shills;
- 330 (xiv) Supervisors or managers; and
- 331 (xv) Ticket writers.

332 The term "gaming employee" also includes employees of  
333 manufacturers or distributors of gaming equipment within this  
334 state whose duties are directly involved with the manufacture,  
335 repair or distribution of gaming equipment.

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

339 (o) "Gaming license" means any license issued by the  
340 state which authorizes the person named therein to engage in  
341 gaming.

342 (p) "Gross revenue" means the total of all of the  
343 following, less the total of all cash paid out as losses to  
344 patrons and those amounts paid to purchase annuities to fund  
345 losses paid to patrons over several years by independent financial  
346 institutions:

- 347 (i) Cash received as winnings;
- 348 (ii) Cash received in payment for credit extended  
349 by a licensee to a patron for purposes of gaming; and
- 350 (iii) Compensation received for conducting any  
351 game in which the licensee is not party to a wager.

352 For the purposes of this definition, cash or the value of  
353 noncash prizes awarded to patrons in a contest or tournament are  
354 not losses.

355 The term does not include:

- 356 (i) Counterfeit money or tokens;
- 357 (ii) Coins of other countries which are received  
358 in gaming devices;

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

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

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

366 (r) "Investigation division" means a particular  
367 division supervised by the executive director that provides  
368 investigative functions.

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

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

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

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

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

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

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

384 (z) "Party" means the Mississippi Gaming Commission and  
385 any licensee or other person appearing of record in any proceeding  
386 before the commission; or the Mississippi Gaming Commission and  
387 any licensee or other person appearing of record in any proceeding  
388 for judicial review of any action, decision or order of the  
389 commission.

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

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

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

399           (dd) "Regulation" means a rule, standard, directive or  
400 statement of general applicability which effectuates law or policy  
401 or which describes the procedure or requirements for practicing  
402 before the commission. The term includes a proposed regulation  
403 and the amendment or repeal of a prior regulation but does not  
404 include:

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

408                   (ii) A declaratory ruling;

409                   (iii) An interagency memorandum;

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

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

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

416           (ff) "Slot machine" means any mechanical, electrical or  
417 other device, contrivance or machine which, upon insertion of a  
418 coin, token or similar object, or upon payment of any  
419 consideration, is available to play or operate, the play or  
420 operation of which, whether by reason of the skill of the operator  
421 or application of the element of chance, or both, may deliver or  
422 entitle the person playing or operating the machine to receive

423 cash, premiums, merchandise, tokens or anything of value, whether  
424 the payoff is made automatically from the machine or in any other  
425 manner. The term does not include any antique coin machine as  
426 defined in Section 27-27-12.

427 (gg) "Sports pool" means the business of accepting  
428 wagers on sporting events, except for athletic events, by any  
429 system or method of wagering other than the system known as the  
430 "pari-mutuel method of wagering."

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

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

436 (jj) "Work permit" means any card, certificate or  
437 permit issued by the commission, whether denominated as a work  
438 permit, registration card or otherwise, authorizing the employment  
439 of the holder as a gaming employee. A document issued by any  
440 governmental authority for any employment other than gaming is not  
441 a valid work permit for the purposes of this chapter.

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

445 (ll) "Cheat" means to alter the selection of criteria  
446 that determine:

447 (i) The rules of a game; or

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

449 **SECTION 6.** Section 97-33-9, Mississippi Code of 1972, is  
450 amended as follows:

451 97-33-9. If any person shall be guilty of keeping or  
452 exhibiting any game or gaming table commonly called A.B.C. or E.O.  
453 roulette or rowley-powley, or rouge et noir, roredo, keno, monte,  
454 or any faro-bank, or other game, gaming table, or bank of the same  
455 or like kind or any other kind or description under any other name

456 whatever, or shall be in any manner either directly or indirectly  
457 interested or concerned in any gaming tables, banks, or games,  
458 either by furnishing money or articles for the purpose of carrying  
459 on the same, being interested in the loss or gain of said table,  
460 bank or games, or employed in any manner in conducting, carrying  
461 on, or exhibiting said gaming tables, games, or banks, every  
462 person so offending and being thereof convicted, shall be fined  
463 not less than Twenty-five Dollars (\$25.00) nor more than Two  
464 Thousand Dollars (\$2,000.00), or be imprisoned in the county jail  
465 not longer than two (2) months, or by both such fine and  
466 imprisonment, in the discretion of the court. Nothing in this  
467 section shall apply to any person who owns, possesses, controls,  
468 installs, procures, repairs or transports any gambling device,  
469 machine or equipment in accordance with subsection (4) of Section  
470 97-33-7 or Section 75-76-34.

471 This section shall not apply to the operation of any game or  
472 lottery authorized by Sections 1 and 2 of House Bill No. \_\_\_\_, 2006  
473 Regular Session.

474 **SECTION 7.** Section 97-33-11, Mississippi Code of 1972, is  
475 amended as follows:

476 97-33-11. It shall not be lawful for any association of  
477 persons of the character commonly known as a "club," whether such  
478 association be incorporated or not, in any manner, either directly  
479 or indirectly, to have any interest or concern in any gambling  
480 tables, banks, or games, by means of what is sometimes called a  
481 "rake-off" or "take-out," or by means of an assessment upon  
482 certain combinations, or hands at cards, or by means of a  
483 percentage extracted from players, or an assessment made upon, or  
484 a contribution from them, or by any other means, device or  
485 contrivance whatsoever. It shall not be lawful for such an  
486 association to lend or advance money or any other valuable thing  
487 to any person engaged or about to engage in playing any game of  
488 chance prohibited by law, or to become responsible directly or

489 indirectly for any money or other valuable thing lost, or which  
490 may be lost, by any player in any such game. If any such  
491 association shall violate any of the provisions of this section  
492 each and every member thereof shall be guilty of a misdemeanor,  
493 and, upon conviction thereof shall be fined in a sum not more than  
494 Five Hundred Dollars (\$500.00); and unless such fine and costs be  
495 immediately paid, shall be imprisoned in the county jail for not  
496 less than five (5) nor more than twenty (20) days. Each grand  
497 jury shall cause such of the members of such an association as it  
498 may choose to appear before them and submit to examination  
499 touching the observance or nonobservance by such association of  
500 the provisions hereof.

501 This section shall not apply to the operation of any game or  
502 lottery authorized by Sections 1 and 2 of House Bill No. \_\_\_\_, 2006  
503 Regular Session.

504 **SECTION 8.** Section 97-33-13, Mississippi Code of 1972, is  
505 amended as follows:

506 97-33-13. Any owner, lessee, or occupant of any outhouse or  
507 other building, who shall knowingly permit or suffer any of the  
508 before mentioned tables, banks, or games, or any other game  
509 prohibited by law, to be carried on, kept, or exhibited in his  
510 said house or other building, or on his lot or premises, being  
511 thereof convicted, shall be fined not less than One Hundred  
512 Dollars (\$100.00) nor more than Two Thousand Dollars (\$2,000.00).

513 This section shall not apply to the operation of any game or  
514 lottery authorized by Sections 1 and 2 of House Bill No. \_\_\_\_, 2006  
515 Regular Session.

516 **SECTION 9.** Section 97-33-21, Mississippi Code of 1972, is  
517 amended as follows:

518 97-33-21. Any person of full age who shall bet any money or  
519 thing of any value with a minor, or allow a minor to bet at any  
520 game or gaming-table exhibited by him, or in which he is  
521 interested or in any manner concerned, on conviction thereof,



522 shall be fined not less than Three Hundred Dollars (\$300.00) and  
523 imprisoned not less than three (3) months.

524 This section shall apply to minors under the age of eighteen  
525 (18) as it might apply to the operation of any game or lottery  
526 authorized by Sections 1 and 2 of House Bill No. \_\_\_\_, 2006 Regular  
527 Session.

528 **SECTION 10.** Section 97-33-23, Mississippi Code of 1972, is  
529 amended as follows:

530 97-33-23. Any person of full age who shall bet any money or  
531 thing of value with a minor, knowing such minor to be under the  
532 age of twenty-one (21) years, or allowing any such minor to bet at  
533 any game or games, or at any gaming-table exhibited by him, or in  
534 which he is interested or in any manner concerned, on conviction  
535 thereof, shall be punished by imprisonment in the Penitentiary not  
536 exceeding two (2) years.

537 This section shall apply to minors under the age of eighteen  
538 (18) with regard to the operation of any game or lottery  
539 authorized by Sections 1 and 2 of House Bill No. \_\_\_\_, 2006 Regular  
540 Session.

541 **SECTION 11.** Section 97-33-31, Mississippi Code of 1972, is  
542 amended as follows:

543 97-33-31. If any person, in order to raise money for himself  
544 or another, or for any purpose whatever, shall publicly or  
545 privately put up a lottery to be drawn or adventured for, he  
546 shall, on conviction, be imprisoned in the Penitentiary not  
547 exceeding five (5) years.

548 This section shall not apply to the operation of any game or  
549 lottery authorized by Sections 1 and 2 of House Bill No. \_\_\_\_, 2006  
550 Regular Session.

551 **SECTION 12.** Section 97-33-33, Mississippi Code of 1972, is  
552 amended as follows:

553 97-33-33. If any person shall in any way advertise any  
554 lottery whatever, no matter where located, or shall knowingly have

555 in his possession any posters or other lottery advertisements of  
556 any kind save a regularly issued newspaper containing such an  
557 advertisement without intent to circulate the same as an  
558 advertisement he shall, on conviction, be fined not less than  
559 Twenty-five Dollars (\$25.00) nor more than One Hundred Dollars  
560 (\$100.00), or be imprisoned in the county jail not exceeding three  
561 (3) months, or both.

562 This section shall not apply to the operation of any game or  
563 lottery authorized by Sections 1 and 2 of House Bill No. \_\_\_\_, 2006  
564 Regular Session.

565 **SECTION 13.** Section 97-33-35, Mississippi Code of 1972, is  
566 amended as follows:

567 97-33-35. If any newspaper published or circulated in this  
568 state shall contain an advertisement of any lottery whatever, or  
569 any matter intended to advertise a lottery, no matter where  
570 located, the editor or editors, publisher or publishers, and the  
571 owner or owners thereof permitting the same, shall be guilty of a  
572 misdemeanor, and, on conviction, shall be fined not less than One  
573 Hundred Dollars (\$100.00) nor more than One Thousand Dollars  
574 (\$1,000.00), and be imprisoned in the county jail not less than  
575 ten (10) days nor more than three (3) months, for each offense.  
576 The issuance of each separate daily or weekly edition of the  
577 newspaper that shall contain such an advertisement shall be  
578 considered a separate offense.

579 This section shall not apply to the operation of any game or  
580 lottery authorized by Sections 1 and 2 of House Bill No. \_\_\_\_, 2006  
581 Regular Session.

582 **SECTION 14.** Section 97-33-37, Mississippi Code of 1972, is  
583 amended as follows:

584 97-33-37. If any newsdealer or other person shall, directly  
585 or indirectly, sell or offer for sale any newspaper or other  
586 publication containing a lottery advertisement, he shall be guilty  
587 of a misdemeanor, and upon conviction, shall be fined not less

588 than Ten Dollars (\$10.00) or imprisoned not less than ten (10)  
589 days or both.

590 This section shall not apply to the operation of any game or  
591 lottery authorized by Sections 1 and 2 of House Bill No. \_\_\_\_, 2006  
592 Regular Session.

593 **SECTION 15.** Section 97-33-39, Mississippi Code of 1972, is  
594 amended as follows:

595 97-33-39. If any person shall sell, or offer or expose for  
596 sale, any lottery ticket, whether the lottery be in or out of this  
597 state, or for or in any other state, territory, district, or  
598 country, he shall, on conviction, be fined not less than  
599 Twenty-five Dollars (\$25.00) nor more than One Hundred Dollars  
600 (\$100.00), or imprisoned in the county jail not less than ten (10)  
601 days nor more than sixty (60) days, or both.

602 This section shall not apply to the operation of any game or  
603 lottery authorized by Sections 1 and 2 of House Bill No. \_\_\_\_, 2006  
604 Regular Session.

605 **SECTION 16.** Section 97-33-41, Mississippi Code of 1972, is  
606 amended as follows:

607 97-33-41. If any person shall buy in this state any lottery  
608 ticket, whether the lottery be in or out of this state, or of or  
609 in any other state, territory, district, or country, he shall, on  
610 conviction, be fined not less than Five Dollars (\$5.00) nor more  
611 than Twenty-five Dollars (\$25.00), or be imprisoned in the county  
612 jail not exceeding ten (10) days, or both.

613 This section shall not apply to the operation of any game or  
614 lottery authorized by Sections 1 and 2 of House Bill No. \_\_\_\_, 2006  
615 Regular Session.

616 **SECTION 17.** Section 97-33-43, Mississippi Code of 1972, is  
617 amended as follows:

618 97-33-43. If any railroad company shall suffer or permit the  
619 sale of a lottery ticket of any kind on its cars, or at its depots  
620 or depot grounds, or by its employees, no matter where the lottery

621 is located, it shall be guilty of a misdemeanor, and, on  
622 conviction shall be fined not less than Twenty Dollars (\$20.00)  
623 nor more than One Hundred Dollars (\$100.00) for every such ticket  
624 so sold.

625 This section shall not apply to the operation of any game or  
626 lottery authorized by Sections 1 and 2 of House Bill No. \_\_\_\_, 2006  
627 Regular Session.

628 **SECTION 18.** Section 97-33-45, Mississippi Code of 1972, is  
629 amended as follows:

630 97-33-45. If the owner or owners of any steamboat shall  
631 suffer or permit the sale of a lottery ticket of any kind on his  
632 or their boat, or by his or their employees, no matter where the  
633 lottery is located, he or they shall be guilty of a misdemeanor,  
634 and shall, on conviction, be punished as prescribed in Section  
635 97-33-43.

636 This section shall not apply to the operation of any game or  
637 lottery authorized by Sections 1 and 2 of House Bill No. \_\_\_\_, 2006  
638 Regular Session.

639 **SECTION 19.** Section 97-33-47, Mississippi Code of 1972, is  
640 amended as follows:

641 97-33-47. If any person shall act as agent for any lottery  
642 or lottery company, no matter where domiciled or located, or if he  
643 shall assume to so act as agent, or if he receive any money or  
644 other thing for any such lottery or lottery company, or deliver to  
645 any person any ticket or tickets, prize or prizes, or other thing  
646 from such lottery or lottery company, he shall, on conviction, be  
647 fined not less than One Hundred Dollars (\$100.00), nor more than  
648 Five Hundred Dollars (\$500.00), and be imprisoned in the county  
649 jail not less than three (3) months nor more than six (6) months.

650 This section shall not apply to the operation of any game or  
651 lottery authorized by Sections 1 and 2 of House Bill No. \_\_\_\_, 2006  
652 Regular Session.

653           **SECTION 20.** Section 97-33-49, Mississippi Code of 1972, is  
654 amended as follows:

655           97-33-49. Except as otherwise provided in Section 97-33-51,  
656 if any person, in order to raise money for himself or another,  
657 shall publicly or privately put up or in any way offer any prize  
658 or thing to be raffled or played for, he shall, on conviction, be  
659 fined not more than Twenty Dollars (\$20.00), or be imprisoned not  
660 more than one (1) month in the county jail.

661           This section shall not apply to the operation of any game or  
662 lottery authorized by Sections 1 and 2 of House Bill No. \_\_\_\_\_, 2006  
663 Regular Session.

664           **SECTION 21.** Section 27-65-111, Mississippi Code of 1972, is  
665 amended as follows:

666           27-65-111. The exemptions from the provisions of this  
667 chapter which are not industrial, agricultural or governmental, or  
668 which do not relate to utilities or taxes, or which are not  
669 properly classified as one of the exemption classifications of  
670 this chapter, shall be confined to persons or property exempted by  
671 this section or by the Constitution of the United States or the  
672 State of Mississippi. No exemptions as now provided by any other  
673 section, except the classified exemption sections of this chapter  
674 set forth herein, shall be valid as against the tax herein levied.  
675 Any subsequent exemption from the tax levied hereunder, except as  
676 indicated above, shall be provided by amendments to this section.

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

679           The tax levied by this chapter shall not apply to the  
680 following:

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

686           Only sales of tangible personal property or services which  
687 are ordinary and necessary to the operation of such hospitals and  
688 infirmaries are exempted from tax.

689           (b) Sales of daily or weekly newspapers, and  
690 periodicals or publications of scientific, literary or educational  
691 organizations exempt from federal income taxation under Section  
692 501(c)(3) of the Internal Revenue Code of 1954, as it exists as of  
693 March 31, 1975, and subscription sales of all magazines.

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

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

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

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

708           (g) Sales to elementary and secondary grade schools,  
709 junior and senior colleges owned and operated by a corporation or  
710 association in which no part of the net earnings inures to the  
711 benefit of any private shareholder, group or individual, and which  
712 are exempt from state income taxation, provided that this  
713 exemption does not apply to sales of property or services which  
714 are not to be used in the ordinary operation of the school, or  
715 which are to be resold to the students or the public.

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

718 (i) Prescribed for the treatment of a human being  
719 by a person authorized to prescribe the medicines, and dispensed  
720 or prescription filled by a registered pharmacist in accordance  
721 with law; or

722 (ii) Furnished by a licensed physician, surgeon,  
723 dentist or podiatrist to his own patient for treatment of the  
724 patient; or

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

728 (iv) Sold to a licensed physician, surgeon,  
729 podiatrist, dentist or hospital for the treatment of a human  
730 being; or

731 (v) Sold to this state or any political  
732 subdivision or municipal corporation thereof, for use in the  
733 treatment of a human being or furnished for the treatment of a  
734 human being by a medical facility or clinic maintained by this  
735 state or any political subdivision or municipal corporation  
736 thereof.

737 "Medicines," as used in this paragraph (h), shall mean and  
738 include any substance or preparation intended for use by external  
739 or internal application to the human body in the diagnosis, cure,  
740 mitigation, treatment or prevention of disease and which is  
741 commonly recognized as a substance or preparation intended for  
742 such use; provided that "medicines" do not include any auditory,  
743 prosthetic, ophthalmic or ocular device or appliance, any dentures  
744 or parts thereof or any artificial limbs or their replacement  
745 parts, articles which are in the nature of splints, bandages,  
746 pads, compresses, supports, dressings, instruments, apparatus,  
747 contrivances, appliances, devices or other mechanical, electronic,  
748 optical or physical equipment or article or the component parts  
749 and accessories thereof, or any alcoholic beverage or any other  
750 drug or medicine not commonly referred to as a prescription drug.

751 Notwithstanding the preceding sentence of this paragraph (h),  
752 "medicines" as used in this paragraph (h), shall mean and include  
753 sutures, whether or not permanently implanted, bone screws, bone  
754 pins, pacemakers and other articles permanently implanted in the  
755 human body to assist the functioning of any natural organ, artery,  
756 vein or limb and which remain or dissolve in the body.

757 "Hospital," as used in this paragraph (h), shall have the  
758 meaning ascribed to it in Section 41-9-3, Mississippi Code of  
759 1972.

760 Insulin furnished by a registered pharmacist to a person for  
761 treatment of diabetes as directed by a physician shall be deemed  
762 to be dispensed on prescription within the meaning of this  
763 paragraph (h).

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

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

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

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

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

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

781 (o) Retail sales of food for human consumption  
782 purchased with food stamps issued by the United States Department  
783 of Agriculture, or other federal agency, from and after October 1,



784 1987, or from and after the expiration of any waiver granted  
785 pursuant to federal law, the effect of which waiver is to permit  
786 the collection by the state of tax on such retail sales of food  
787 for human consumption purchased with food stamps.

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

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

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

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

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

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

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

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

810 (x) The gross collections from the operation of  
811 self-service, coin-operated car washing equipment and sales of the  
812 service of washing motor vehicles with portable high-pressure  
813 washing equipment on the premises of the customer.

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

816                   (z) Sales of lottery tickets by a retailer as  
817 authorized by Sections 1 and 2 of House Bill No. \_\_\_\_, 2006 Regular  
818 Session.

819           **SECTION 22.** This act shall take effect and be in force from  
820 and after July 1, 2006.