

By: Representative Moak

To: Gaming; Ways and Means

HOUSE BILL NO. 1128

1 AN ACT TO CREATE THE MISSISSIPPI LAWFUL INTERNET GAMING ACT
2 OF 2014; TO MAKE FINDINGS REGARDING THE AUTHORITY OF THE STATE TO
3 REGULATE LAWFUL INTERNET GAMING, IN RESPONSE TO CERTAIN FEDERAL
4 LAWS AND ACTION BY THE UNITED STATES DEPARTMENT OF JUSTICE; TO SET
5 FORTH DEFINITIONS THAT APPLY TO THE PROVISIONS OF THE ACT; TO
6 PROVIDE A PROCESS WHEREBY THE MISSISSIPPI GAMING COMMISSION MAY
7 ISSUE INTERNET WAGERING PERMITS TO GAMING LICENSEES; TO PROVIDE
8 ADDITIONAL POWERS TO THE COMMISSION, AS NECESSARY TO REGULATE
9 LAWFUL INTERNET GAMING; TO IMPOSE AN ADDITIONAL LICENSE FEE IN THE
10 AMOUNT OF FIVE PERCENT ON THE INTERNET WAGERING GROSS REVENUES PER
11 CALENDAR MONTH; TO PRESCRIBE THE MANNER IN WHICH LAWFUL INTERNET
12 GAMING MAY BE CONDUCTED; TO PROVIDE PENALTIES FOR VIOLATIONS OF
13 THE ACT; TO AMEND SECTIONS 75-76-5, 75-76-33, 75-76-79, 75-76-81,
14 75-76-101, 75-76-129, 75-76-155, 75-76-157, 75-76-177, 75-76-191,
15 75-76-195 AND 75-76-325, MISSISSIPPI CODE OF 1972, IN CONFORMITY
16 TO THE PROVISIONS OF THIS ACT; TO BRING FORWARD SECTIONS 75-76-67,
17 75-76-267, 75-76-301 AND 75-76-303, MISSISSIPPI CODE OF 1972, FOR
18 PURPOSES OF AMENDMENT; AND FOR RELATED PURPOSES.

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

20 **SECTION 1.** (1) The Legislature finds that since the
21 development of the Internet, millions of people have chosen to
22 engage in online gaming through illegal off-shore operators, and
23 such unlawful gambling is conducted without oversight, regulation,
24 or enforcement, all of which raises significant concerns for the
25 protection of our citizens. Without regulation of online



26 gambling, the public's trust and confidence in legal gaming is
27 impacted.

28 (2) An effective state regulatory and licensing system for
29 online gaming would inhibit underage wagering and otherwise
30 protect vulnerable individuals, ensure that the games offered
31 through the Internet are fair and safe, stop sending much-needed
32 jobs and tax and fee revenue overseas to illegal operators,
33 provide a significant source of taxable revenue, create jobs and
34 economic development, address the concerns of law enforcement, and
35 ensure that only those persons of good character and fitness, who
36 meet strict criteria set forth in law and regulations, are
37 suitable to facilitate and conduct online gaming activities.

38 **SECTION 2.** (1) The provisions of Sections 1 through 19 of
39 this act shall be known and may be cited as the "Mississippi
40 Lawful Internet Gaming Act of 2014."

41 (2) Pursuant to the federal law entitled "Unlawful Internet
42 Gambling Enforcement Act of 2006," known as UIGEA and cited as 31
43 USCS 5301, the State of Mississippi finds that the state
44 regulation of legal gaming in this state, and the provisions of
45 this Mississippi Lawful Internet Gaming Act of 2014, prescribe a
46 lawful exemption to UIGEA and specifically authorize use of the
47 Internet to place, receive, or otherwise knowingly transmit a bet
48 or wager where such Internet wagering complies with the provisions
49 of Title 75, Chapter 76, Mississippi Code of 1972, and the
50 applicable regulations promulgated by the Mississippi Gaming



51 Commission. Further, the State of Mississippi finds that any
52 question regarding the state's authority to regulate lawful
53 Internet gaming that may have resulted from interpretations that
54 such gaming violated certain other federal anti-gambling laws has
55 been vacated by action of the United States Department of Justice
56 on December 23, 2011.

57 **SECTION 3.** For purposes of Sections 1 through 19 of this
58 act, the definitions found in Section 75-76-5 shall apply, and in
59 addition, the following words and phrases shall have the meanings
60 ascribed below, unless the context clearly indicates otherwise.

61 (a) "Customer deposits" - The deposits made by or on
62 behalf of a gaming licensee having an Internet wagering permit, or
63 returns of funds by or on behalf of a gaming licensee to an
64 Internet wagering account.

65 (b) "Internet" - The international computer network of
66 interoperable packet switched data networks, inclusive of such
67 additional technological platforms as mobile, satellite, and other
68 electronic distribution channels approved by the commission.

69 (c) "Internet game" - Any variation or composite of an
70 authorized game that is offered through the Internet, provided
71 that such games, or variations or composites, are found suitable
72 for use by the commission after an appropriate test or
73 experimental period; and any other game which is determined by the
74 commission to be compatible with the public interest and to be
75 suitable for Internet wagering after such appropriate test or



76 experimental period. The term includes gaming tournaments
77 conducted via the Internet in which players compete against one
78 another in one (1) or more of the games authorized herein or by
79 the commission or in approved variations or composites thereof if
80 the tournaments are authorized by the commission.

81 (d) "Internet service provider" - Any one of the
82 following:

83 (i) A person or entity offering the transmission,
84 routing, or providing of connections for online communications,
85 between or among points specified by a user, of material of the
86 user's choosing, without modification to the content of the
87 material as sent or received;

88 (ii) A provider of online services or network
89 access, or the operator of facilities therefore;

90 (iii) A provider of hosting services for online
91 websites, email and other electronic communications; or

92 (iv) A provider of custodial and registration
93 services for Internet domain names.

94 (e) "Internet wagering" - The placing, receiving, or
95 transmission of electronic data with a gaming licensee through the
96 use, at least in part, of the Internet over a secure or dedicated
97 transmission originating and ending within the state or as
98 otherwise permitted under applicable law, which data, once
99 accepted by said gaming licensee within a licensed gaming



100 establishment, shall become a lawful bet or wager on an Internet
101 game, all as approved by the commission.

102 (f) "Internet wagering account" - The formal,
103 electronic statement or system recording the balance of a patron's
104 debits, credits, and other activity relating to Internet wagering.

105 (g) "Internet wagering account agreement" - The
106 agreement entered into between a gaming licensee and an
107 individual, which agreement governs the terms and conditions of
108 said individual's Internet wagering account and the use of the
109 Internet for purposes of placing bets or wagers on Internet games.
110 The Internet wagering account agreement may be executed
111 electronically as approved by the commission.

112 (h) "Internet wagering permit" - The certificate and
113 approval issued by the commission that certifies a gaming
114 licensee's permission to conduct Internet wagering and that said
115 gaming licensee's facilities conform to requirements of the act
116 and applicable regulations.

117 (i) "Significant vendor" - Any person or entity that:

118 (i) On behalf of a gaming licensee, knowingly
119 manages, administers, or controls bets or wagers that are
120 initiated, received, or otherwise made as approved by the
121 commission;

122 (ii) On behalf of a gaming licensee, knowingly
123 manages, administers, or controls the games with which such bets
124 or wagers are associated;



125 (iii) On behalf of a licensee, develops,
126 maintains, or operates the software or other system programs or
127 hardware on which the Internet games or the bets or wagers are
128 managed, administered, or controlled;

129 (iv) Provides the trademarks, trade names, service
130 marks, or similar intellectual property under which a gaming
131 licensee identifies its Internet wagering to its customers;

132 (v) Provides information on individuals who made
133 bets or wagers pursuant to Internet wagering not licensed under
134 this act via a database or customer lists;

135 (vi) Provides any products, services, or assets
136 to, and is paid a percentage of revenue or fees by, the gaming
137 licensee (not including fees to financial institutions and payment
138 providers for facilitating a deposit by a customer); or

139 (vii) With respect to an applicant, proposes to
140 provide any of the activities, services, or items identified in
141 subparagraphs (a) through (e).

142 (j) "Internet wagering gross revenue" -

143 (i) For all Internet games, with the exception of
144 Internet poker, the total of all sums actually received by a
145 gaming licensee from Internet wagering, less the total of all sums
146 actually paid out as winnings to patrons; provided, however, that
147 the cash equivalent value of any merchandise or thing of value
148 included in a jackpot or payout shall not be included in the total



149 of all sums paid out as winnings to patrons for purposes of
150 determining Internet wagering gross revenue.

151 (ii) For Internet poker, the total of all sums
152 actually received by a gaming licensee from Internet poker, or the
153 aggregate, during the relevant period, of the take, tournament
154 fees and all other fees or charges required or received from
155 customers directly as a result of Internet poker, from deposits
156 into any account maintained by the licensee or on behalf of the
157 licensee, less the total of all sums actually paid out as winnings
158 to patrons; provided, however, that the cash equivalent value of
159 any merchandise or thing of value included in a jackpot or payout
160 shall not be included in the total of all sums paid out as
161 winnings to patrons for purposes of determining Internet wagering
162 gross revenue.

163 (iii) For all Internet games, including Internet
164 poker, "Internet wagering gross revenue" shall not include
165 customer deposits nor deposits that reflect promotional credits,
166 incentives from loyalty or similar programs, bonuses, or
167 complimentary amenities provided by or on behalf of the gaming
168 licensee attendant to Internet gaming operations or Internet
169 wagering; or returns of funds by or on behalf of a gaming licensee
170 to an Internet wagering account, charge-back fees or bad debt
171 incurred by the gaming licensee with respect to an Internet
172 wagering account.



173 (k) "Licensed gaming establishment for Internet
174 wagering" - Any room or area within the state approved by the
175 commission to conduct Internet wagering and shall also include,
176 where approved by the commission, redundancy facilities.

177 (1) "Redundancy facilities" - Any and all rooms or
178 areas within the State of Mississippi, used by the gaming licensee
179 for emergency back-up, redundancy or secondary operations
180 attendant to gaming or Internet wagering as approved by the
181 commission.

182 **SECTION 4.** (1) The commission may issue an Internet
183 wagering permit upon satisfaction by a gaming licensee of all
184 terms and conditions required by this chapter and applicable
185 regulations.

186 (2) The commission may establish a separate division to
187 which authority shall be delegated for the administration of
188 Internet wagering, Internet wagering permits, and enforcement of
189 criminal activity conducted, at least in part, through the
190 Internet.

191 (3) Nothing in this section shall be construed to authorize
192 the operation of a place of public accommodation, club or
193 association (including one limited to dues-paying members or
194 similar restricted groups), cafeteria, or similar establishment
195 that allows access to the Internet for gambling, unless licensed
196 under the provisions of Sections 1 through 19 of this act.



197 SECTION 5. (1) In the regulation of lawful Internet gaming,
198 the commission shall have the additional powers described in
199 Section 5 of this act, with respect to conducting an in rem
200 deactivation of Internet domains.

201 (2) The commission may commence an in rem action against any
202 domain name or names used by an Internet site if:

203 (a) The domain name is used by an Internet site that is
204 conducting unlawful Internet gambling; and

205 (b) The commission simultaneously sends a notice of the
206 alleged violation and intent to proceed under this subsection to
207 the registrant of the domain name at the postal and email address
208 provided by the registrant to the registrar, if available, and
209 publishes notice of the action as the court may direct promptly
210 after filing the action. For purposes of this section, the
211 actions described above shall constitute lawful service of
212 process.

213 (3) In an in rem action commenced under subsection (2), a
214 domain name shall be deemed to have its situs in the State of
215 Mississippi, provided that:

216 (a) The domain name registrar or registry is located,
217 doing business in, or maintains minimum contacts within the state;
218 or

219 (b) Documents sufficient to establish control and
220 authority regarding the disposition of the registration and use of
221 the domain name are deposited with the court.



222 If the foregoing does not apply to a particular domain name,
223 the in rem action may be brought in the State of Mississippi to
224 prevent and restrain access to the domain by users located within
225 the state if the domain is accessible from users within the state.

226 (4) Service of court orders shall be made as follows:

227 (a) In connection with an order obtained in an action
228 to which subsection (3) applies, the commission or law enforcement
229 officer shall serve any court order issued pursuant to this
230 section on the domain name registrar or, if the domain name
231 registrar is not located within the United States, upon the
232 registry. Upon receipt of such order, the domain name registrar
233 or domain name registry shall suspend operation of, and may lock,
234 the domain name; or

235 (b) For nondomestic domains, in connection with an
236 order obtained in an action to which subsection (3) applies, the
237 commission or law enforcement officer may serve any court order
238 issued pursuant to this section on entities described below.
239 After being served with an order issued pursuant to this section;
240 and, an Internet service provider, or any other operator of a
241 nonauthoritative domain name system server shall, as expeditiously
242 as possible, take technically feasible and reasonable steps
243 designed to prevent a domain name from resolving to that domain
244 name's Internet protocol address, except that (i) such entity
245 shall not be required to modify its network or other facilities to
246 comply with such order, to take any steps with respect to domain



247 name lookups not performed by its own domain name system server;
248 or to continue to prevent access to a domain name to which access
249 has been effectively disabled by other means; and (ii) nothing in
250 this paragraph shall affect the limitation on an entity's
251 liability under subsection (6) below.

252 (5) An entity taking an action described in this section
253 shall determine how to communicate such action to the entity's
254 users or customers. For purposes of an action filed under this
255 section, the obligations of an entity described in this subsection
256 shall be limited to the actions set out in each paragraph or
257 subparagraph applicable to such entity, and no order issued
258 pursuant to this section shall impose any additional obligations
259 on, or require additional actions by, such entity.

260 (6) No cause of action shall lie in any court or
261 administrative agency against any entity receiving a court order
262 issued under this section, or against any director, officer,
263 employee, or agent thereof, for any act reasonably designed to
264 comply with this section or reasonably arising from such order,
265 other than in an action pursuant to subsection (5). Any entity
266 receiving an order under this subsection, and any director,
267 officer, employee, or agent thereof, shall not be liable to any
268 party for any acts reasonably designed to comply with this
269 subsection or reasonably arising from such order, other than in an
270 action pursuant to subsection (7), and any actions taken by
271 customers of such entity to circumvent any restriction on access



272 to the Internet domain instituted pursuant to this subsection or
273 any act, failure, or inability to restrict access to an Internet
274 domain that is the subject of a court order issued pursuant to
275 this subsection despite good faith efforts to do so by such entity
276 shall not be used by any person in any claim or cause of action
277 against such entity, other than in an action pursuant to
278 subsection (7). No domain name registry, domain name registrar,
279 or service that provides advertisements to Internet sites shall be
280 liable to any person on account of any action described in this
281 section voluntarily taken if the entity reasonably believes the
282 Internet site is engaged in providing unlawful Internet gambling.

283 (7) To compel compliance with this section, the commission
284 may bring an action for injunctive relief against any party
285 receiving a court order issued pursuant to this section that
286 knowingly and willfully fails to comply with such order. A
287 showing by the defending party in such action that it does not
288 have the technical means to comply with this section, or that the
289 order is inconsistent with this section, shall serve as a defense
290 to such action to the extent of the inability to comply or such
291 inconsistency.

292 (8) At any time after the issuance of a court order under
293 this section:

294 (a) The commission may apply for a modification of the
295 order to expand the order to apply to an Internet site that is
296 reconstituted using a different domain name subsequent to the



297 original order, and to include additional domain names that are
298 used in substantially the same manner as the Internet site against
299 which the action was brought, by providing the court with evidence
300 that the Internet site associated with the requested modification
301 is engaged in unlawful Internet gambling, and is under joint
302 control, ownership, or operation of, or other affiliation with,
303 the domain name subject to the order;

304 (b) A defendant or owner or operator of a domain name
305 subject to the order, or any party required to take action based
306 on the order, may petition the court to modify, suspend, or vacate
307 the order, based on evidence that the Internet site associated
308 with the domain name subject to the order is no longer, or never
309 was, engaged in unlawful Internet gambling, or the interests of
310 justice require that the order be modified, suspended, or vacated;
311 and

312 (c) A registrar or owner, licensee, or operator of a
313 domain name subject to the order may petition the court to vacate
314 the order based on evidence that the registration of the domain
315 name has expired and the domain name has been reregistered by a
316 different party.

317 **SECTION 6.** (1) No Internet wagering shall be allowed,
318 except for testing or pilot program purposes, until a gaming
319 licensee obtains an Internet wagering permit. A permit shall be
320 issued by the commission upon a finding that:



321 (a) The gaming licensee's Internet wagering operations
322 comply in all respects with the requirements of this act and the
323 Mississippi Gaming Control Act, including any regulations
324 promulgated thereunder;

325 (b) Age and location verification requirements
326 reasonably designed to block access to those under the age of
327 twenty-one (21) years, persons located outside of the state, and
328 those persons excluded or prohibited pursuant to Section 75-76-35;

329 (c) Appropriate data security standards to prevent
330 unauthorized access by any person whose age and location has not
331 been verified in accordance with the regulations promulgated
332 hereunder;

333 (d) Appropriate standards to protect, within a
334 reasonable certainty, the privacy and security of patrons; and

335 (e) The gaming licensee's initial system of internal
336 controls applicable to Internet wagering, and the security and
337 integrity of all financial transactions therein, comply with this
338 chapter and the regulations promulgated thereunder.

339 (2) It shall be an express condition of any Internet
340 wagering permit that a gaming licensee shall collect, report, and
341 pay any and all applicable taxes and fees and shall maintain all
342 books, records, and documents pertaining to said gaming licensee's
343 Internet wagering in a manner and location within this state as
344 approved by the commission, or for books, records, and documents
345 not related to Internet wagering, at such other locations outside



346 the state as approved by the commission. All such books, records
347 and documents shall be immediately available for inspection during
348 all hours of operation in accordance with the regulations of the
349 commission and shall be maintained in such a manner and for such
350 periods of time as the commission shall require.

351 (3) Subject to the power of the commission to deny, revoke,
352 or suspend, an Internet wagering permit may be renewed by the
353 commission for periods of one (1) to five (5) years.

354 **SECTION 7.** (1) All facilities, equipment other than
355 personal electronic equipment owned and possessed by a person, and
356 employees of a gaming licensee's Internet wagering operation
357 shall:

358 (a) Be arranged in a manner promoting appropriate
359 security for Internet wagering;

360 (b) Include a closed circuit visual monitoring system
361 according to rules or specifications approved by the commission,
362 with access to the online portal, signal, or transmission used in
363 connection with Internet wagering;

364 (c) Not be designed in any way that might interfere
365 with or impede the commission in its regulation of Internet
366 wagering; and

367 (d) Comply in all respects with regulations of the
368 commission pertaining thereto.

369 (2) An Internet wagering account shall be designated in the
370 name of a natural person only and may not be in the name of any



371 beneficiary, custodian, joint trust, corporation, partnership or
372 other organization or entity, without the approval of the
373 commission.

374 (3) An Internet wagering account may be executed via the
375 Internet or such other electronic means as approved by the
376 commission, and said account shall comply with the internal
377 controls of the gaming licensee that, at a minimum, require the
378 following:

379 (a) The filing and execution of an Internet wagering
380 account agreement, the form of which having been preapproved by
381 the commission;

382 (b) Proof of age and residency as demonstrated by at
383 least two (2) forms of identification approved by the commission;

384 (c) Physical address of the principal residence of the
385 prospective account holder, electronic mail address of the
386 prospective account holder, and such other contact information, as
387 the commission or gaming licensee may require;

388 (d) Password or other secured identification to access
389 the Internet wagering account, or some other mechanism approved by
390 the commission to authenticate the player as the secured holder to
391 the Internet wagering account; and

392 (e) An acknowledgement under penalty of perjury that
393 false or misleading statements made in regard to an application
394 for an Internet wagering account may subject the applicant to
395 civil and criminal penalties.



396 (4) The licensee may accept or reject an application after
397 receipt and review of the application and proof of age for
398 compliance with the provisions of Sections 1 through 19 of this
399 act. The gaming licensee shall have the right, at any time with
400 or without cause, to suspend or close any Internet wagering
401 account at its sole discretion.

402 (5) In addition to those under the age of twenty-one (21)
403 years, persons located outside of the state, and those persons
404 excluded or prohibited pursuant to Section 75-76-35, a person who
405 is an employee of the gaming licensee conducting Internet wagering
406 is prohibited from obtaining an Internet wagering account with
407 that gaming licensee; however, the person may have an Internet
408 wagering account with another gaming licensee that does not employ
409 the person.

410 (6) Internet wagering accounts shall not be assignable or
411 otherwise transferable, and the gaming licensee may, at any time,
412 declare all or any part of Internet wagering to be closed for
413 wagering.

414 (7) A gaming licensee may accept bets or wagers through
415 Internet wagering as follows:

416 (a) The bet or wager shall be placed directly with the
417 gaming licensee by the holder of the Internet wagering account;

418 (b) The account holder placing the bet or wager shall
419 provide the gaming licensee with authentication information for
420 access to the Internet wagering account;



421 (c) A gaming licensee may not accept a bet or wager in
422 an amount in excess of funds on deposit in the account holder's
423 Internet wagering account; and

424 (d) Only the account holder may access his or her
425 Internet wagering account and place a bet or wager on an Internet
426 game; provided, however, the gaming licensee shall not be
427 responsible for a nonaccount holder accessing an Internet wagering
428 account where the nonaccount holder falsely represented that he or
429 she was the account holder and provides the gaming licensee with
430 authentication information of the account holder for access to the
431 Internet wagering account.

432 (8) Credits to an Internet wagering account may be made as
433 provided in this subsection.

434 (a) The account holder's deposits to the Internet
435 wagering account shall be submitted by the account holder to the
436 gaming licensee and shall be in the form of one of the following:

437 (i) Cash given to the gaming licensee;

438 (ii) Check, money order, negotiable order of
439 withdrawal, or wire or electronic transfer, payable and remitted
440 to the gaming licensee;

441 (iii) Charges made to an account holder's debit or
442 credit card upon the account holder's authorization, which
443 authorization may be given via the Internet or other electronic
444 communication;



445 (iv) Promotional credits, incentives from loyalty
446 or similar programs, bonuses, or complimentary amenities provided
447 by or on behalf of the gaming licensee; or

448 (v) Any other method approved by the commission.

449 (b) When an account holder wins an Internet game, the
450 gaming licensee shall pay to the account holder electronic chips
451 or other cash equivalents in the appropriate amount pursuant to
452 the rules of that Internet game for that particular type of wager.
453 When the account holder cashes out the electronic chips or other
454 cash equivalents, the gaming licensee shall credit the holder's
455 account in the amount of the electronic chips or other cash
456 equivalents.

457 (c) The gaming licensee shall have the right to refuse,
458 for any valid reason, all or part of any wager or deposit to the
459 Internet wagering account.

460 (d) Funds deposited in the Internet wagering account
461 shall not bear interest to the account holder.

462 (9) Debits to an Internet wagering account may be made as
463 provided by this subsection.

464 (a) When an account holder logs onto an Internet
465 wagering account and exchanges account funds for electronic chips
466 or other cash equivalents, the licensee shall debit the holder's
467 account in the amount of funds exchanged. Upon receipt by a
468 gaming licensee of an account wager or an account purchase order,
469 the gaming licensee shall debit the account holder's electronic



470 chips or other cash equivalents in the amount of the wager or
471 purchase.

472 (b) A gaming licensee may authorize a withdrawal from
473 an Internet wagering account when the account holder submits to
474 the gaming licensee:

475 (i) Proper identification, whether via the
476 Internet or on the premises of a gaming licensee;

477 (ii) The correct authentication information for
478 access to the account; and

479 (iii) Such other electronic forms or permissions
480 as required by the commission.

481 Upon receipt of all of the foregoing information, and if
482 there are sufficient funds in the account to cover the withdrawal,
483 the gaming licensee, at the customer's direction, may also send a
484 check payable in the amount requested to the holder at the address
485 specified in the application for the Internet wagering account or
486 shall transmit payment to the account holder electronically, as
487 approved by the commission.

488 (10) The gaming licensee may apply chargeback, inactivity,
489 or other fees or charges against an account holder's Internet
490 wagering account.

491 **SECTION 8.** (1) An Internet service provider shall not be
492 held liable for unlawful Internet gambling, or otherwise hosting
493 an online gaming site permitted by this chapter or other
494 applicable state or federal law, unless the Internet service



495 provider has actual knowledge that the site in question is
496 currently operating in violation of Sections 1 through 19 of this
497 act, the Mississippi Gaming Control Act, or of any other
498 applicable provision of federal or state law.

499 (2) An Internet service provider that takes an action
500 described in this section below with respect to an Internet site
501 shall not be liable to any party for that action if the Internet
502 service provider takes the action because the account holder or
503 purported owner of the site is any one (1) of the following:

504 (a) A person or entity that is included in the list of
505 unlicensed Internet gambling enterprises prepared by the
506 commission;

507 (b) A person or entity that the Internet service
508 provider reasonably believes is included in that list;

509 (c) A person or entity that is included in a list of
510 unlicensed Internet gambling enterprises made available to the
511 Internet service provider by the commission;

512 (d) A person or entity that the Internet service
513 provider reasonably believes is included in a list described in
514 paragraph (c) of this subsection (2);

515 (e) A person or entity that is demonstrated to be an
516 unlicensed Internet gambling enterprise based on information,
517 other than a list described in paragraph (c) of this subsection
518 (2), that is made available to the Internet service provider
519 transaction provider; or



520 (f) A person or entity that the Internet service
521 provider reasonably believes is demonstrated to be an unlicensed
522 Internet gambling enterprise based on information described in
523 paragraph (e) of this subsection (2).

524 (3) An Internet service provider takes an action described
525 in this section if the Internet service provider:

526 (a) Blocks or otherwise restricts an account holder's
527 ability to access to the site, its control panel or filing system;

528 (b) Prevents part or all of an Internet site from being
529 accessed by users; or

530 (c) Closes an account or ends a hosting relationship.

531 (4) An Internet service provider that takes an action
532 described in subsection (3) of this section with respect to an
533 Internet site shall not be liable to any party for that action if
534 the Internet service provider takes such action pursuant to valid
535 written notice of the illegal gambling activity, provided by the
536 commission or any other ranking law enforcement official of any
537 jurisdiction where the unlawful Internet gambling is accessible.
538 The form of such notice shall be determined by regulations that
539 shall be prescribed by the commission.

540 (5) On application of the commission or any other law
541 enforcement official of any jurisdiction where unlawful Internet
542 gambling is accessible, the court may issue a temporary
543 restraining order, a preliminary injunction, or an injunction
544 against the domain name used by an Internet site engaging in such



545 unlawful Internet gambling to cease and desist from undertaking
546 any further activity in violation of this act or any other
547 applicable federal or state law. The court may grant injunctive
548 relief with respect to an Internet service provider in one or more
549 of the following forms:

550 (a) An order restraining the Internet service provider
551 from providing access to a particular online site on the
552 provider's system or network;

553 (b) An order restraining the Internet service provider
554 from providing access, by taking reasonable steps specified in the
555 order to block access, to a specific and identified Internet
556 domain that is hosted outside the United States;

557 (c) An order restraining the Internet service provider
558 from providing access, by taking reasonable steps specified in the
559 order to block access, to a specific and identified Internet
560 domain to users residing in a particular jurisdiction specified in
561 the order;

562 (d) An order restraining the Internet service provider
563 from providing access to a subscriber or account holder of the
564 service provider's system or network who is engaging in unlawful
565 Internet gambling and is identified in the order, by terminating
566 the accounts of the subscriber or account holder that are
567 specified in the order;

568 (e) An order restraining the Internet service provider
569 from providing access to a subscriber or account holder of the



570 service provider's system or network who is using the provider's
571 service to engage in unlawful Internet gambling and is identified
572 in the order, by terminating the accounts of the subscriber or
573 account holder that are specified in the order; or

574 (f) Such other injunctive relief as the court may
575 consider necessary to prevent or restrain unlawful Internet
576 gambling, if such relief is the least burdensome to the Internet
577 service provider among the forms of relief comparably effective
578 for that purpose.

579 (6) Injunctive relief under this section shall be available
580 only after notice and an opportunity for the Internet service
581 provider to appear are provided, except for orders ensuring the
582 preservation of evidence or other orders having no material
583 adverse effect on the operation of the service provider's
584 communications network.

585 **SECTION 9.** All bets or wagers made through Internet wagering
586 shall be deemed to be initiated, received or otherwise made within
587 the State of Mississippi, provided that such Internet wagering is
588 conducted by a gaming licensee with an Internet wagering permit
589 and in accordance with this chapter and the regulations adopted by
590 the commission. The intermediate routing of electronic data in
591 connection with Internet wagering shall not determine the location
592 or locations in which a bet or wager is initiated, received, or
593 otherwise made.



594 **SECTION 10.** (1) Each gaming licensee who holds or has
595 applied for an Internet wagering permit shall submit to the
596 commission a description of its initial internal procedures and
597 administrative and accounting controls for Internet wagering that
598 comply with the requirements of this act and the regulations
599 promulgated thereunder, and provide adequate and effective
600 controls for the real-time monitoring of all Internet games. A
601 gaming licensee's initial system of internal controls shall
602 contain both narrative and diagrammatic representations of the
603 internal control system to be utilized by the licensed gaming
604 establishment with regard to Internet wagering, including, but not
605 limited to:

606 (a) Accounting controls, including the standardization
607 of forms and definition of terms to be utilized for Internet
608 wagering;

609 (b) Job descriptions and the system of personnel and
610 chain-of-command, establishing a diversity of responsibility among
611 employees engaged in Internet wagering and identifying areas of
612 responsibility, salary structure, and personnel practices;

613 (c) Procedures for the establishment of Internet
614 wagering accounts, including a procedure for age and location
615 verification;

616 (d) Procedures for the termination of an Internet
617 wagering account by the account holder and the return of any



618 remaining funds in the Internet wagering account to the account
619 holder;

620 (e) Procedures for the termination of a dormant
621 account;

622 (f) Procedures for the log-on and authentication of an
623 account holder and the log-off of the account holder when the
624 account holder has ceased Internet wagering, including a procedure
625 to automatically log-off the holder after a specified period of
626 inactivity;

627 (g) Procedures for the crediting and debiting of
628 Internet wagering accounts;

629 (h) Procedures for the withdrawal of funds from an
630 Internet wagering account by the account holder;

631 (i) The recording of transactions pertaining to
632 Internet wagering;

633 (j) Procedures for the security of information and
634 funds in an Internet wagering account;

635 (k) Procedures for the security of licensed gaming
636 establishments where Internet wagering is conducted;

637 (l) Procedures and security standards for the handling
638 and storage of software, computers and other electronic equipment
639 used to conduct Internet wagering;

640 (m) Procedures and security standards to protect
641 software, computers and other gaming equipment used to conduct
642 Internet wagering from tampering by gaming employees or any other



643 person, from a location inside or outside of the gaming licensee's
644 hotel facility;

645 (n) Procedures for responding to tampering with
646 software, computers and other gaming equipment used to conduct
647 Internet wagering or any gaming-related equipment or hardware used
648 in support of gaming, including partial or complete suspension of
649 Internet wagering operations or the suspension of any or all
650 Internet wagering accounts when warranted;

651 (o) Procedures for the identification and maintenance
652 of agreements pertaining to any person that manages, administers,
653 controls, or otherwise materially affects bets or wagers that are
654 initiated, received, or otherwise made in connection with Internet
655 wagering;

656 (p) Procedures to assist problem and compulsive
657 gamblers including, without limitation, procedures regarding
658 self-exclusion; and

659 (q) Procedures for the use or involvement of
660 significant vendors.

661 (2) The commission shall review the initial submission
662 required by subsection (1) of this section, and shall determine
663 whether it conforms with the requirements of Sections 1 through 19
664 of this act and whether the system submitted provides adequate and
665 effective controls for Internet wagering of the particular gaming
666 licensee submitting it. If the commission finds any
667 insufficiencies, it shall specify them in writing to the gaming



668 licensee, who shall make appropriate alterations. When the
669 commission determines the initial submission to be adequate in all
670 respects, it shall notify the gaming licensee. Except as
671 otherwise provided in subsection (1) of this section, no gaming
672 licensee shall commence or alter Internet wagering unless and
673 until the initial submission is approved by the commission.

674 (3) It shall be lawful for a gaming licensee to provide
675 marketing information and promotional credits, incentives from
676 loyalty or similar programs, bonuses, and complimentary amenities
677 by means of the Internet to players engaged in Internet wagering.

678 (4) Upon approval by the commission of the initial
679 submission required by subsection (1) of this section, each gaming
680 licensee shall be required to create, maintain, and file with the
681 commission a description of its internal procedures and
682 administrative and accounting controls for Internet wagering that
683 conform to the requirements of paragraphs (a) through (q) of
684 subsection (1) of this section and the regulations promulgated
685 thereunder. Once the procedures and controls set forth in the
686 initial submission are approved by the commission, no further
687 approval of a gaming licensee's internal procedures and
688 administrative and accounting controls for Internet wagering is
689 required.

690 **SECTION 11.** (1) The commission shall, by regulation,
691 establish such technical standards for approval of software,
692 computers and other gaming equipment used to conduct Internet



693 wagering, including mechanical, electrical or program reliability,
694 security against tampering, and the comprehensibility of wagering,
695 as it may deem necessary to protect the player from fraud or
696 deception and to insure the integrity of Internet wagering.

697 (2) All equipment used by a gaming licensee to conduct
698 Internet wagering, including, but not limited to, computers,
699 servers, monitoring rooms, and hubs, shall be located, with the
700 prior approval of the commission, in a licensed gaming
701 establishment including, where appropriate, redundancy facilities;
702 provided, however, that such computers, servers, and other
703 equipment not used in connection with Internet wagering may be
704 located in such other locations within or outside of the state as
705 approved by the commission.

706 (3) No software, computer or other gaming equipment shall be
707 used to conduct Internet wagering unless it has been specifically
708 tested and approved by the commission. The commission may, in its
709 discretion, and for the purpose of expediting the approval
710 process, refer testing to any testing laboratory. The commission
711 shall give priority to the testing of software, computers or other
712 gaming equipment which a gaming licensee has certified it will use
713 to conduct Internet wagering in this state.

714 **SECTION 12.** (1) It is unlawful for a person to knowingly
715 alter, tamper, or manipulate software, computers or other
716 equipment used to conduct Internet wagering, in order to alter the
717 odds or the payout of an Internet game, or to disable the Internet



718 game from operating according to the rules of the game as
719 authorized by the Internet wagering permit. Any person who is
720 convicted of violating this provision shall be fined not more than
721 Fifty Thousand Dollars (\$50,000.00) for each violation. In the
722 case of a person other than a natural person, any person who is
723 convicted of violating this provision shall be fined not more than
724 Two Hundred Thousand Dollars (\$200,000.00) for each violation.

725 (2) In addition to the penalties provided in subsection (1),
726 an employee of the gaming licensee who violates this section shall
727 have his or her license revoked and shall be subject to such
728 further penalty as the commission deems appropriate.

729 **SECTION 13.** (1) It is unlawful for a person to knowingly
730 offer, or allow to be offered, any game through Internet wagering
731 that has been altered, tampered, or manipulated in a way that
732 affects the odds or the payout of an Internet game, or disables
733 the Internet game from operating according to the rules of the
734 game as promulgated by the commission. Any person who is
735 convicted of a violation of this section shall be subject to be
736 fined not more than Fifty Thousand Dollars (\$50,000.00) for each
737 violation. In the case of a person other than a natural person,
738 any person who is convicted of violating this provision shall be
739 fined not more than Two Hundred Thousand Dollars (\$200,000.00) for
740 each violation.

741 (2) In addition to the penalties provided in subsection (1)
742 of this section, an employee of the gaming licensee who knowingly



743 violates this section shall have his or her license suspended for
744 a period of not less than thirty (30) days.

745 **SECTION 14.** (1) No person under the age of twenty-one (21)
746 years is allowed to open, maintain, or use in any way an Internet
747 wagering account. Any gaming licensee or employee of a gaming
748 licensee who knowingly allows such a person to do so shall be
749 subject to the penalty set forth in the regulations promulgated
750 under this act, except that the establishment of all of the
751 following facts by a licensee or employee allowing any such
752 underage person to maintain an account shall constitute a defense
753 to any regulatory action or penalty:

754 (a) The underage person falsely represented during the
755 application process for an Internet wagering account that he or
756 she was of the permitted age; and

757 (b) The establishment of the Internet wagering account
758 was made in good faith, relying upon such representation, and in
759 the reasonable belief that the underage person was actually the
760 permitted age or older.

761 (2) In addition to the penalties provided in subsection (1)
762 of this section, an employee of the gaming licensee who violates
763 the provisions of this section more than twice may have his or her
764 license revoked.

765 (3) In addition to the penalties provided in subsection (1)
766 of this section, a gaming licensee that violates the provisions of



767 this section may be fined or face such additional sanctions as the
768 commission deems appropriate.

769 **SECTION 15.** (1) The commission shall, by regulation,
770 establish fees for the issuance or renewal of Internet wagering
771 permits. The issuance fee shall be based upon the cost of
772 investigation and consideration of the license application and
773 shall be not less than Two Hundred Thousand Dollars (\$200,000.00).
774 The renewal fee shall be based upon the cost of maintaining
775 enforcement, control, and regulation of Internet wagering and
776 shall not be less than One Hundred Thousand Dollars (\$100,000.00).

777 (2) The commission shall certify actual and prospective
778 costs of the investigative and enforcement functions of the
779 commission, which costs shall be the basis, together with the
780 operating expenses of the commission, for the establishment of
781 annual license issuance and renewal fees.

782 (3) A nonrefundable deposit of at least One Hundred Thousand
783 Dollars (\$100,000.00) shall be posted with each application for an
784 Internet wagering permit and shall be applied to the initial
785 permit fee if the application is approved.

786 (4) Notwithstanding subsections (1) and (3) of this section,
787 and in addition to the issuance or renewal fees for an Internet
788 wagering permit, a gaming licensee having an Internet wagering
789 permit shall pay to the commission:



790 (a) An amount equal to One Hundred Thousand Dollars
791 (\$100,000.00) annually to be deposited into the State General
792 Fund; and

793 (b) An amount equal to One Hundred Thousand Dollars
794 (\$100,000.00) annually to be deposited into the Mississippi Gaming
795 Commission Fund created in Section 75-76-325, to be used by the
796 commission in combating criminal activity performed through the
797 use of the Internet.

798 **SECTION 16.** (1) Whenever a gaming licensee owes a patron a
799 specific amount of money as the result of a gaming transaction
800 which remains inactive or dormant within a patron's Internet
801 wagering account for such period and under such conditions
802 established by regulation of the commission, regardless of whether
803 the identity of the patron is known, the gaming licensee shall
804 maintain a record of the obligation in accordance with the rules
805 of the commission.

806 (2) If the patron does not claim the money in the account
807 within one (1) year of the last date of activity by a patron with
808 respect to his or her Internet wagering account, which date shall
809 be established in accordance with the rules of the commission, the
810 obligation of the gaming licensee to pay the patron shall expire.
811 Fifty percent (50%) of the money in the account shall be paid by
812 the gaming licensee to the Mississippi Gaming Commission Fund
813 created in Section 75-76-325, and fifty percent (50%) shall be
814 retained by the gaming licensee, provided that the licensee uses



815 the full amount for marketing the State of Mississippi as a
816 tourist destination. A gaming licensee shall attempt to contact
817 the account holder of a dormant or inactive Internet wagering
818 account in accordance with the regulations of the commission
819 before closing or liquidating an Internet wagering account under
820 this subsection.

821 **SECTION 17.** In addition to the license fees imposed in
822 Section 75-76-177, a license fee shall be imposed on the Internet
823 wagering gross revenues per calendar month of a gaming licensee in
824 the amount of five percent (5%) of such revenues. An amount equal
825 to seventy-five percent (75%) of such license fees on Internet
826 wagering gross revenues shall be paid into the Mississippi Gaming
827 Commission Fund created in Section 75-76-325, and an amount equal
828 to twenty-five percent (25%) of such license fees on Internet
829 wagering gross revenues shall be paid into the State General Fund.

830 **SECTION 18.** (1) It is unlawful for any person to offer
831 games into play or displays such games through the Internet
832 without approval of the commission.

833 (2) A person is guilty of unlawful Internet gambling when
834 the person:

835 (a) Knowingly causes, engages in or permits any
836 gambling activity prohibited under Sections 1 through 19 of this
837 act through the Internet from any point within the state, whether
838 the gambling activity is conducted within or without the state; or



839 (b) Manages, supervises, controls, operates or owns any
840 operation that conducts any gambling activity prohibited under
841 Sections 1 through 19 of this act through the Internet from any
842 point within the state, during which time the person knowingly
843 causes or permits any gambling activity prohibited under this
844 chapter, whether the gambling activity is conducted within or
845 without the state.

846 (3) Any person who is convicted of violating the provisions
847 of subsection (2) of this section shall be punished as follows:

848 (a) For a violation of paragraph (a) of subsection (2)
849 of this section, he shall be imprisoned in the county jail for up
850 to ninety (90) days or fined up to Ten Thousand Dollars
851 (\$10,000.00), or both.

852 (b) For a violation of paragraph (b) of subsection (2)
853 of this section, he shall be imprisoned in the State Penitentiary
854 for up to ten (10) years or fined up to One Hundred Thousand
855 Dollars (\$100,000.00), or both. In the case of a person other
856 than a natural person, for each violation, the person shall be
857 fined up to Two Hundred Fifty Thousand Dollars (\$250,000.00).

858 (4) In addition to fines, imprisonment, or both, any person
859 or entity convicted of an offense under this section shall forfeit
860 to the State of Mississippi such person's or entity's right,
861 title, and interest in and to the following:



862 (a) Any website, domain name, online property, computer
863 systems, hardware, software or other property used in the
864 violation of this act;

865 (b) Any property, real or personal, constituting or
866 traceable to gross profits or other proceeds obtained from such
867 offense; and

868 (c) Any property, real or personal, used or intended to
869 be used to commit or to promote the commission of such offense or
870 any property traceable to such property.

871 **SECTION 19.** The Gaming Commission may develop and enter into
872 interstate and international compacts for online gaming. Eligible
873 compact partners include other states, foreign governments, tribal
874 areas, and any governmental unit of a national, state or local
875 body exercising governmental functions, other than the United
876 States government. The commission may enter into such compacts
877 with the respective department, agency or instrumentality of the
878 governmental unit that has authority over gaming activities.

879 **SECTION 20.** Section 75-76-5, Mississippi Code of 1972, is
880 amended as follows:

881 75-76-5. (1) As used in this chapter, unless the context
882 requires otherwise:

883 (a) "Applicant" means any person who has applied for or
884 is about to apply for a state gaming license, registration or
885 finding of suitability under the provisions of this chapter or



886 approval of any act or transaction for which approval is required
887 or permitted under the provisions of this chapter.

888 (b) "Application" means a request for the issuance of a
889 state gaming license, registration or finding of suitability under
890 the provisions of this chapter or for approval of any act or
891 transaction for which approval is required or permitted under the
892 provisions of this chapter but does not include any supplemental
893 forms or information that may be required with the application.

894 (c) "Associated equipment" means any equipment or
895 mechanical, electromechanical or electronic contrivance, component
896 or machine used remotely or directly in connection with gaming or
897 with any game, race book or sports pool that would not otherwise
898 be classified as a gaming device, including dice, playing cards,
899 links which connect to progressive slot machines, equipment which
900 affects the proper reporting of gross revenue, computerized
901 systems of betting at a race book or sports pool, computerized
902 systems for monitoring slot machines, and devices for weighing or
903 counting money.

904 (d) "Chairman" means the Chairman of the Mississippi
905 Gaming Commission except when used in the term "Chairman of the
906 State Tax Commission." "Chairman of the State Tax Commission" or
907 "commissioner" means the Commissioner of Revenue of the Department
908 of Revenue.

909 (e) "Commission" or "Mississippi Gaming Commission"
910 means the Mississippi Gaming Commission.



911 (f) "Commission member" means a member of the
912 Mississippi Gaming Commission.

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

917 (h) "Enforcement division" means a particular division
918 supervised by the executive director that provides enforcement
919 functions.

920 (i) "Establishment" means any premises wherein or
921 whereon any gaming is done.

922 (j) "Executive director" means the Executive Director
923 of the Mississippi Gaming Commission.

924 (k) Except as otherwise provided by law, "game," or
925 "gambling game" means any banking or percentage game played with
926 cards, with dice or with any mechanical, electromechanical or
927 electronic device or machine for money, property, checks, credit
928 or any representative of value, including, without limiting, the
929 generality of the foregoing, faro, monte, roulette, keno, fan-tan,
930 twenty-one, blackjack, seven-and-a-half, big injun, klondike,
931 craps, poker, chuck-a-luck (dai shu), wheel of fortune, chemin de
932 fer, baccarat, pai gow, beat the banker, panguingui, slot machine,
933 Internet game as provided for in Sections 1 through 19 of this
934 act, or any other game or device approved by the commission.
935 However, "game" or "gambling game" shall not include bingo games



936 or raffles which are held pursuant to the provisions of Section
937 97-33-51, or the illegal gambling activities described in Section
938 97-33-8.

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

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

945 (m) "Gaming device" means any mechanical,
946 electromechanical or electronic contrivance, component or machine
947 used in connection with gaming or any game which affects the
948 result of a wager by determining win or loss. The term includes a
949 system for processing information which can alter the normal
950 criteria of random selection, which affects the operation of any
951 game, or which determines the outcome of a game. The term does
952 not include a system or device which affects a game solely by
953 stopping its operation so that the outcome remains undetermined,
954 and does not include any antique coin machine as defined in
955 Section 27-27-12.

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

959 (i) Boxmen;

960 (ii) Cashiers;



- 961 (iii) Change personnel;
962 (iv) Counting room personnel;
963 (v) Dealers;
964 (vi) Floormen;
965 (vii) Hosts or other persons empowered to extend
966 credit or complimentary services;
967 (viii) Keno runners;
968 (ix) Keno writers;
969 (x) Machine mechanics;
970 (xi) Security personnel;
971 (xii) Shift or pit bosses;
972 (xiii) Shills;
973 (xiv) Supervisors or managers; and
974 (xv) Ticket writers.

975 The term "gaming employee" also includes employees of
976 manufacturers or distributors of gaming equipment within this
977 state whose duties are directly involved with the manufacture,
978 repair or distribution of gaming equipment.

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

982 (o) "Gaming license" means any license issued by the
983 state which authorizes the person named therein to engage in
984 gaming.



985 (p) "Gross revenue" means the total of all of the
986 following, less the total of all cash paid out as losses to
987 patrons and those amounts paid to purchase annuities to fund
988 losses paid to patrons over several years by independent financial
989 institutions:

990 (i) Cash received as winnings;

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

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

995 For the purposes of this definition, cash or the value of
996 noncash prizes awarded to patrons in a contest or tournament are
997 not losses.

998 The term does not include:

999 (i) Counterfeit money or tokens;

1000 (ii) Coins of other countries which are received
1001 in gaming devices;

1002 (iii) Cash taken in fraudulent acts perpetrated
1003 against a licensee for which the licensee is not reimbursed; or

1004 (iv) Cash received as entry fees for contests or
1005 tournaments in which the patrons compete for prizes.

1006 (q) "Hearing examiner" means a member of the
1007 Mississippi Gaming Commission or other person authorized by the
1008 commission to conduct hearings.



1009 (r) "Investigation division" means a particular
1010 division supervised by the executive director that provides
1011 investigative functions.

1012 (s) "License" means a gaming license or a
1013 manufacturer's, seller's or distributor's license.

1014 (t) "Licensee" means any person to whom a valid license
1015 has been issued.

1016 (u) "License fees" means monies required by law to be
1017 paid to obtain or continue a gaming license or a manufacturer's,
1018 seller's or distributor's license.

1019 (v) "Licensed gaming establishment" means any premises
1020 licensed pursuant to the provisions of this chapter wherein or
1021 whereon gaming is done.

1022 (w) "Manufacturer's," "seller's" or "distributor's"
1023 license means a license issued pursuant to Section 75-76-79.

1024 (x) "Navigable waters" shall have the meaning ascribed
1025 to such term under Section 27-109-1.

1026 (y) "Operation" means the conduct of gaming.

1027 (z) "Party" means the Mississippi Gaming Commission and
1028 any licensee or other person appearing of record in any proceeding
1029 before the commission; or the Mississippi Gaming Commission and
1030 any licensee or other person appearing of record in any proceeding
1031 for judicial review of any action, decision or order of the
1032 commission.



1033 (aa) "Person" includes any association, corporation,
1034 firm, partnership, trust or other form of business association as
1035 well as a natural person.

1036 (bb) "Premises" means land, together with all
1037 buildings, improvements and personal property located thereon, and
1038 includes all parts of any vessel or cruise vessel.

1039 (cc) "Race book" means the business of accepting wagers
1040 upon the outcome of any event held at a track which uses the
1041 pari-mutuel system of wagering.

1042 (dd) "Regulation" means a rule, standard, directive or
1043 statement of general applicability which effectuates law or policy
1044 or which describes the procedure or requirements for practicing
1045 before the commission. The term includes a proposed regulation
1046 and the amendment or repeal of a prior regulation but does not
1047 include:

1048 (i) A statement concerning only the internal
1049 management of the commission and not affecting the rights or
1050 procedures available to any licensee or other person;

1051 (ii) A declaratory ruling;

1052 (iii) An interagency memorandum;

1053 (iv) The commission's decision in a contested case
1054 or relating to an application for a license; or

1055 (v) Any notice concerning the fees to be charged
1056 which are necessary for the administration of this chapter.



1057 (ee) "Respondent" means any licensee or other person
1058 against whom a complaint has been filed with the commission.

1059 (ff) "Slot machine" means any mechanical, electrical or
1060 other device, contrivance or machine which, upon insertion of a
1061 coin, token or similar object, or upon payment of any
1062 consideration, is available to play or operate, the play or
1063 operation of which, whether by reason of the skill of the operator
1064 or application of the element of chance, or both, may deliver or
1065 entitle the person playing or operating the machine to receive
1066 cash, premiums, merchandise, tokens or anything of value, whether
1067 the payoff is made automatically from the machine or in any other
1068 manner. The term does not include any antique coin machine as
1069 defined in Section 27-27-12.

1070 (gg) "Sports pool" means the business of accepting
1071 wagers on sporting events, except for athletic events, by any
1072 system or method of wagering other than the system known as the
1073 "pari-mutuel method of wagering."

1074 (hh) "State Tax Commission" or "department" means the
1075 Department of Revenue of the State of Mississippi.

1076 (ii) "Temporary work permit" means a work permit which
1077 is valid only for a period not to exceed ninety (90) days from its
1078 date of issue and which is not renewable.

1079 (jj) "Vessel" or "cruise vessel" shall have the
1080 meanings ascribed to such terms under Section 27-109-1.



1081 (kk) "Work permit" means any card, certificate or
1082 permit issued by the commission, whether denominated as a work
1083 permit, registration card or otherwise, authorizing the employment
1084 of the holder as a gaming employee. A document issued by any
1085 governmental authority for any employment other than gaming is not
1086 a valid work permit for the purposes of this chapter.

1087 (ll) "School or training institution" means any school
1088 or training institution which is licensed by the commission to
1089 teach or train gaming employees pursuant to Section 75-76-34.

1090 (mm) "Cheat" means to alter the selection of criteria
1091 that determine:

1092 (i) The rules of a game; or

1093 (ii) The amount or frequency of payment in a game.

1094 (nn) "Promotional activity" means an activity or event
1095 conducted or held for the purpose of promoting or marketing the
1096 individual licensed gaming establishment that is engaging in the
1097 promotional activity. The term includes, but is not limited to, a
1098 game of any kind other than as defined in paragraph (k) of this
1099 section, a tournament, a contest, a drawing, or a promotion of any
1100 kind.

1101 (2) In addition to the definitions set forth in subsection
1102 (1) of this section, the definitions set forth in Section 3 of
1103 this act shall apply to lawful Internet gaming as authorized in
1104 Sections 1 through 19 of this act.



1105 **SECTION 21.** Section 75-76-33, Mississippi Code of 1972, is
1106 amended as follows:

1107 75-76-33. (1) The commission shall, from time to time,
1108 adopt, amend or repeal such regulations, consistent with the
1109 policy, objects and purposes of this chapter, as it may deem
1110 necessary or desirable in the public interest in carrying out the
1111 policy and provisions of this chapter. The commission shall
1112 comply with the Mississippi Administrative Procedures Law when
1113 adopting, amending or repealing any regulations authorized under
1114 this section or under any other provision of this chapter.

1115 (2) These regulations shall, without limiting the general
1116 powers herein conferred, include the following:

1117 (a) Prescribing the method and form of application
1118 which any applicant for a license or for a manufacturer's,
1119 seller's or distributor's license must follow and complete before
1120 consideration of his application by the executive director or the
1121 commission.

1122 (b) Prescribing the information to be furnished by any
1123 applicant or licensee concerning his antecedents, habits,
1124 character, associates, criminal record, business activities and
1125 financial affairs, past or present.

1126 (c) Prescribing the information to be furnished by a
1127 licensee relating to his employees.

1128 (d) Requiring fingerprinting of an applicant or
1129 licensee, and gaming employees of a licensee, or other methods of



1130 identification and the forwarding of all fingerprints taken
1131 pursuant to regulation of the Federal Bureau of Investigation.

1132 (e) Prescribing the manner and procedure of all
1133 hearings conducted by the commission or any hearing examiner of
1134 the commission, including special rules of evidence applicable
1135 thereto and notices thereof.

1136 (f) Requiring any applicant to pay all or any part of
1137 the fees and costs of investigation of such applicant as may be
1138 determined by the commission under paragraph (g) of this
1139 subsection (2).

1140 (g) Prescribing the amounts of investigative fees only
1141 as authorized by regulations of the commission under paragraph (f)
1142 of this subsection, and collecting those fees. The commission
1143 shall adopt regulations setting the amounts of those fees at
1144 levels that will provide the commission with sufficient revenue,
1145 when combined with any other monies as may be deposited into the
1146 Mississippi Gaming Commission Fund created in Section 75-76-325,
1147 to carry out the provisions of this chapter without any state
1148 general funds. In calculating the amount of such fees, the
1149 commission shall:

1150 (i) Attempt to set the fees at levels that will
1151 create a balance in the Mississippi Gaming Commission Fund that
1152 does not exceed, at the end of any state fiscal year, two percent
1153 (2%) of the projected amount of funds that will provide the
1154 commission with such sufficient revenue; and



1155 (ii) Demonstrate the reasonableness of the
1156 relationship between a fee and the actual costs of the
1157 investigative activity for which the fee is being prescribed.

1158 (h) Prescribing the manner and method of collection and
1159 payment of fees and issuance of licenses.

1160 (i) Prescribing under what conditions a licensee may be
1161 deemed subject to revocation or suspension of his license.

1162 (j) Requiring any applicant or licensee to waive any
1163 privilege with respect to any testimony at any hearing or meeting
1164 of the commission, except any privilege afforded by the
1165 Constitution of the United States or this state.

1166 (k) Defining and limiting the area, games and devices
1167 permitted, and the method of operation of such games and devices,
1168 for the purposes of this chapter.

1169 (l) Prescribing under what conditions the nonpayment of
1170 a gambling debt by a licensee shall be deemed grounds for
1171 revocation or suspension of his license.

1172 (m) Governing the use and approval of gambling devices
1173 and equipment.

1174 (n) Prescribing the qualifications of, and the
1175 conditions under which, attorneys, accountants and others are
1176 permitted to practice before the commission.

1177 (o) Restricting access to confidential information
1178 obtained under this chapter and ensuring that the confidentiality
1179 of such information is maintained and protected.



1180 (p) Prescribing the manner and procedure by which the
1181 executive director on behalf of the commission shall notify a
1182 county or a municipality wherein an applicant for a license
1183 desires to locate.

1184 (q) Prescribing the manner and procedure for an
1185 objection to be filed with the commission and the executive
1186 director by a county or municipality wherein an applicant for a
1187 license desires to locate.

1188 (3) Notwithstanding any other provision of law, each
1189 licensee shall be required to comply with the following
1190 regulations:

1191 (a) No wagering shall be allowed on the outcome of any
1192 athletic event, nor on any matter to be determined during an
1193 athletic event, nor on the outcome of any event, which does not
1194 take place on the premises, except as may be otherwise permitted
1195 under Sections 1 through 19 of this act pertaining to lawful
1196 Internet gaming.

1197 (b) No wager may be placed by, or on behalf of, any
1198 individual or entity or group, not present on a licensed vessel or
1199 cruise vessel.

1200 **SECTION 22.** Section 75-76-67, Mississippi Code of 1972, is
1201 brought forward as follows:

1202 75-76-67. (1) Any person who the commission determines is
1203 qualified to receive a license or be found suitable under the
1204 provisions of this chapter, having due consideration for the



1205 proper protection of the health, safety, morals, good order and
1206 general welfare of the inhabitants of the State of Mississippi and
1207 the declared policy of this state, may be issued a state gaming
1208 license or found suitable. The burden of proving his
1209 qualification to receive any license or be found suitable is on
1210 the applicant.

1211 (2) An application to receive a license or be found suitable
1212 shall not be granted unless the commission is satisfied that the
1213 applicant is:

1214 (a) A person of good character, honesty and integrity;

1215 (b) A person whose prior activities, criminal record,
1216 if any, reputation, habits and associations do not pose a threat
1217 to the public interest of this state or to the effective
1218 regulation and control of gaming, or create or enhance the dangers
1219 of unsuitable, unfair or illegal practices, methods and activities
1220 in the conduct of gaming or the carrying on of the business and
1221 financial arrangements incidental thereto; and

1222 (c) In all other respects qualified to be licensed or
1223 found suitable consistent with the declared laws of the state.

1224 (3) No person shall be granted a license or found suitable
1225 under the provisions of this chapter who has been convicted of a
1226 felony in any court of this state, another state, or the United
1227 States; and no person shall be granted a license or found suitable
1228 hereunder who has been convicted of a crime in any court of
1229 another state or the United States which, if committed in this



1230 state, would be a felony; and no person shall be granted a license
1231 or found suitable under the provisions of this chapter who has
1232 been convicted of a misdemeanor in any court of this state or of
1233 another state, when such conviction was for gambling, sale of
1234 alcoholic beverages to minors, prostitution, or procuring or
1235 inducing individuals to engage in prostitution.

1236 (4) A license to operate a gaming establishment shall not be
1237 granted unless the applicant has satisfied the commission that:

1238 (a) He has adequate business probity, competence and
1239 experience, in gaming or generally; and

1240 (b) The proposed financing of the entire operation is:

1241 (i) Adequate for the nature of the proposed
1242 operation; and

1243 (ii) From a suitable source. Any lender or other
1244 source of money or credit which the commission finds does not meet
1245 the standards set forth in subsection (2) may be deemed
1246 unsuitable.

1247 (5) An application to receive a license or be found suitable
1248 constitutes a request for a determination of the applicant's
1249 general character, integrity and ability to participate or engage
1250 in, or be associated with gaming. Any written or oral statement
1251 made in the course of an official proceeding of the commission or
1252 the executive director or any witness testifying under oath which
1253 is relevant to the purpose of the proceeding is absolutely



1254 privileged and does not impose liability for defamation or
1255 constitute a ground for recovery in any civil action.

1256 (6) The commission may, in its discretion, grant a license
1257 to a corporation which has complied with the provisions of this
1258 chapter.

1259 (7) The commission may, in its discretion, grant a license
1260 to a limited partnership which has complied with the provisions of
1261 this chapter.

1262 (8) No limited partnership, except one whose sole limited
1263 partner is a publicly traded corporation which has registered with
1264 the commission, or business trust or organization or other
1265 association of a quasi-corporate character is eligible to receive
1266 or hold any license under this chapter unless all persons having
1267 any direct or indirect interest therein of any nature whatsoever,
1268 whether financial, administrative, policymaking or supervisory,
1269 are individually qualified to be licensed under the provisions of
1270 this chapter.

1271 (9) The commission may, by regulation, limit the number of
1272 persons who may be financially interested and the nature of their
1273 interest in any corporation or other organization or association
1274 licensed under this chapter, and may establish such other
1275 qualifications of licenses as the commission, in its discretion,
1276 deems to be in the public interest and consistent with the
1277 declared policy of the state.



1278 **SECTION 23.** Section 75-76-79, Mississippi Code of 1972, is
1279 amended as follows:

1280 75-76-79. (1) (a) Except as otherwise provided in
1281 paragraphs (b) and (c) of this subsection, it is unlawful for any
1282 person, either as owner, lessee or employee, whether for hire or
1283 not, to operate, carry on, conduct or maintain any form of
1284 manufacture, selling or distribution of any gaming device for use
1285 or play in Mississippi or for distribution outside of Mississippi
1286 without first procuring and maintaining all required federal and
1287 state licenses.

1288 (b) A lessor who specifically acquires equipment for a
1289 capital lease is not required to be licensed under this section.

1290 (c) The holder of a state gaming license or the holding
1291 company of a corporate licensee may, within two (2) years after
1292 cessation of business or upon specific approval by the executive
1293 director, dispose of by sale in a manner approved by the executive
1294 director, any or all of its gaming devices, including slot
1295 machines, without a distributor's license. In cases of bankruptcy
1296 of a state gaming licensee or foreclosure of a lien by a bank or
1297 other person holding a security interest for which gaming devices
1298 are security, in whole or in part, for the lien, the executive
1299 director may authorize the disposition of the gaming devices
1300 without requiring a distributor's license.

1301 (d) Any person whom the commission determines is a
1302 suitable person to receive a license under the provisions of this



1303 section may be issued a manufacturer's or distributor's license.
1304 The burden of proving his qualification to receive or hold a
1305 license under this section is at all times on the applicant or
1306 licensee.

1307 (e) Every person who must be licensed pursuant to this
1308 section is subject to the provisions of Sections 75-76-199 through
1309 75-76-265, unless exempted from those provisions by the
1310 commission.

1311 (f) The commission may exempt, for any purpose, a
1312 manufacturer, seller or distributor from the provisions of
1313 Sections 75-76-199 through 75-76-265, if the commission determines
1314 that the exemption is consistent with the purposes of this
1315 chapter.

1316 (g) As used in this section, "holding company" has the
1317 meaning ascribed to it in Section 75-76-199.

1318 (2) If the commission determines that a manufacturer or
1319 distributor is unsuitable to receive or hold a license:

1320 (a) No new gaming device or associated equipment
1321 manufactured by the manufacturer or distributed by the distributor
1322 may be approved;

1323 (b) Any previously approved device or associated
1324 equipment manufactured by the manufacturer or distributed by the
1325 distributor is subject to revocation of approval if the reasons
1326 for the denial of the license also apply to that device or
1327 associated equipment;



1328 (c) No new device or associated equipment manufactured
1329 by the manufacturer or distributed by the distributor may be sold,
1330 transferred or offered for use or play in Mississippi; and

1331 (d) Any association or agreement between the
1332 manufacturer or distributor and a licensee must be terminated,
1333 unless otherwise provided by the commission. An agreement between
1334 such a manufacturer or distributor of gaming devices or associated
1335 equipment and a licensee shall be deemed to include a provision
1336 for its termination without liability on the part of the licensee
1337 upon a finding by the commission that the manufacturer is
1338 unsuitable to be associated with a gaming enterprise. Failure to
1339 include that condition in the agreement is not a defense in any
1340 action brought pursuant to this section to terminate the
1341 agreement.

1342 (3) Failure of a licensee to terminate any association or
1343 agreement with a manufacturer or distributor of gaming devices or
1344 associated equipment after receiving notice of a determination of
1345 unsuitability, the denial of a license or failure to file a timely
1346 application for a license, is an unsuitable method of operation.

1347 (4) There is hereby imposed and levied on each applicant for
1348 a manufacturer's, seller's or distributor's license under this
1349 section an annual license fee in the following amount:

1350 (a) For the issuance or continuation of a
1351 manufacturer's license, One Thousand Dollars (\$1,000.00).



1352 (b) For the issuance or continuation of a seller's or
1353 distributor's license, Five Hundred Dollars (\$500.00).

1354 This fee is to be paid by the applicant to the * * *
1355 Department of Revenue on or before the filing of the application
1356 for a manufacturer's, seller's or distributor's license by the
1357 applicant. Upon such payment the * * * Commissioner of Revenue
1358 shall certify to the executive director that such fee has been
1359 paid by the applicant.

1360 Except for those amounts that a person issued a
1361 manufacturer's license under this section may charge for goods
1362 supplied or services rendered, the person holding the
1363 manufacturer's license may not be directly reimbursed by a holder
1364 of a gaming license for the cost of any fee paid by the person for
1365 the issuance or continuation of such a license, whether imposed
1366 under this section or any other provision of this chapter.

1367 (5) A manufacturer or distributor of associated equipment
1368 who sells, transfers or offers the associated equipment for use or
1369 play in Mississippi may be required by the executive director to
1370 file an application for a finding of suitability to be a
1371 manufacturer or distributor of associated equipment.

1372 Any person who directly or indirectly involves himself in the
1373 sale, transfer or offering for use or play in Mississippi of
1374 associated equipment who is not otherwise required to be licensed
1375 as a manufacturer or distributor may be required by the executive



1376 director to file an application for a finding of suitability to be
1377 a manufacturer or distributor of associated equipment.

1378 If an application for a finding of suitability is not
1379 submitted within thirty (30) days after demand by the executive
1380 director, he may pursue any remedy or combination of remedies
1381 provided in this chapter.

1382 (6) The executive director and his employees may inspect
1383 every gaming device which is manufactured, sold or distributed:

1384 (a) For use in this state, before the gaming device is
1385 put into play.

1386 (b) In this state for use outside this state, before
1387 the gaming device is shipped out of this state.

1388 The executive director may inspect every gaming device which
1389 is offered for play within this state by a licensee.

1390 The executive director may inspect all associated equipment
1391 which is manufactured, sold or distributed for use in this state
1392 before the equipment is installed or used by a gaming licensee.

1393 In addition to all other fees and charges imposed by this
1394 chapter, the executive director may determine an inspection fee
1395 with regard to each manufacturer, seller or distributor which must
1396 not exceed the actual cost of inspection and investigation. Upon
1397 such determination, the executive director shall certify to
1398 the * * * Commissioner of Revenue the amount of the inspection fee
1399 and the name and address of the applicant. Upon such



1400 certification the * * * Department of Revenue shall proceed to
1401 assess and collect such inspection fee from the applicant.

1402 **SECTION 24.** Section 75-76-81, Mississippi Code of 1972, is
1403 amended as follows:

1404 75-76-81. Except as otherwise provided in this section, the
1405 Chairman of the State Tax Commission shall assess and collect all
1406 taxes, fees, licenses, interest, penalties, damages and fines
1407 imposed by this chapter, and is hereby empowered to promulgate
1408 rules and regulations to administer such collections. Any records
1409 or other documents submitted by the licensee, or on his behalf, to
1410 the Mississippi Gaming Commission or executive director shall be
1411 made available to the Chairman of the State Tax Commission or his
1412 authorized agent upon written request.

1413 The gross revenue fees levied by this chapter shall be due
1414 and payable on or before the twentieth day of the month next
1415 succeeding the month in which the fees accrue except as otherwise
1416 provided. The licensee shall make a return showing the gross
1417 revenue and compute the fee due for the period.

1418 Except for fees imposed under Section 75-76-33(2)(f), all
1419 administrative provisions of the sales tax law, and amendments
1420 thereto, including those which provide for collection and
1421 administrative appeals procedures, fix damages, penalties and
1422 interest for failure to comply with the provisions of said sales
1423 tax law, and all other requirements and duties imposed upon any
1424 licensee or taxpayer, shall apply to all persons liable for taxes,



1425 fees and all other monies imposed under the provisions of this
1426 chapter. However, fines or other assessments levied by the
1427 Mississippi Gaming Commission or the executive director will not
1428 be considered due and payable until thirty (30) days after final
1429 determination of such fines or assessments. The Chairman of the
1430 State Tax Commission shall exercise all power and authority and
1431 perform all duties with respect to licensees or taxpayers under
1432 this chapter as are provided in said sales tax law, except where
1433 there is conflict, then the provisions of this chapter shall
1434 control.

1435 The Mississippi Gaming Commission shall assess and collect
1436 all fees imposed under Section 75-76-33(2)(f) and shall deposit
1437 the funds received from the fees into the Mississippi Gaming
1438 Commission Fund created in Section 75-76-325. The commission
1439 shall also assess and collect all fees imposed under Sections 1
1440 through 19 of this act and shall deposit the funds received from
1441 the fees in the manner prescribed under Sections 1 through 19 of
1442 this act.

1443 The determination and/or assessment of any taxes, fees,
1444 licenses, interest, penalties, damages and fines under this
1445 chapter by the Chairman of the State Tax Commission, the Executive
1446 Director of the Mississippi Gaming Commission or the Mississippi
1447 Gaming Commission shall be prima facie correct.

1448 **SECTION 25.** Section 75-76-101, Mississippi Code of 1972, is
1449 amended as follows:



1450 75-76-101. (1) Except as otherwise provided in Sections 1
1451 through 19 of this act, all gaming must be conducted with chips,
1452 tokens or other instrumentalities approved by the executive
1453 director or with the legal tender of the United States.

1454 (2) Except as otherwise provided in Sections 1 through 19 of
1455 this act, no licensee shall permit participation by a person in a
1456 game conducted in the licensed gaming establishment if such person
1457 is not physically present in the licensed gaming establishment
1458 during the period of time when such game is being conducted, and
1459 all games and the participation of patrons therein shall be
1460 entirely located and conducted on the licensed premises.

1461 **SECTION 26.** Section 75-76-129, Mississippi Code of 1972, is
1462 amended as follows:

1463 **[Through June 30, 2022, this section shall read as follows:]**

1464 75-76-129. On or before the last day of each month all
1465 taxes, fees, interest, penalties, damages, fines or other monies
1466 collected by the * * * Department of Revenue during that month
1467 under the provisions of this chapter, with the exception of (a)
1468 the local government fees imposed under Section 75-76-195, and (b)
1469 an amount equal to Three Million Dollars (\$3,000,000.00) of the
1470 revenue collected pursuant to the fee imposed under Section
1471 75-76-177(1)(c) shall be paid by the * * * Department of Revenue
1472 to the State Treasurer to be deposited in the State General Fund.
1473 The local government fees shall be distributed by the * * *
1474 Department of Revenue pursuant to Section 75-76-197. An amount



1475 equal to Three Million Dollars (\$3,000,000.00) of the revenue
1476 collected during that month pursuant to the fee imposed under
1477 Section 75-76-177(1)(c) shall be deposited by the * * * Department
1478 of Revenue into the bond sinking fund created in Section 65-39-3.

1479 **[From and after July 1, 2022, this section shall read as**
1480 **follows:]**

1481 75-76-129. On or before the last day of each month, all
1482 taxes, fees, interest, penalties, damages, fines or other monies
1483 collected by the * * * Department of Revenue during that month
1484 under the provisions of this chapter, with the exception of the
1485 local government fees imposed under Section 75-76-195, shall be
1486 paid by the * * * Department of Revenue to the State Treasurer to
1487 be deposited in the State General Fund. The local government fees
1488 shall be distributed by the * * * Department of Revenue pursuant
1489 to Section 75-76-197.

1490 **SECTION 27.** Section 75-76-155, Mississippi Code of 1972, is
1491 amended as follows:

1492 75-76-155. (1) A person under the age of twenty-one (21)
1493 years shall not:

1494 (a) Play, be allowed to play, place wagers, or collect
1495 winnings, whether personally or through an agent, from any gaming
1496 authorized under this chapter.

1497 (b) Be employed as a gaming employee.

1498 (2) Except as otherwise provided in Sections 1 through 19 of
1499 this act, any licensee, employee, dealer or other person who



1500 violates or permits the violation of any of the provisions of this
1501 section, and any person under twenty-one (21) years of age who
1502 violates any of the provisions of this section shall, upon
1503 conviction, be punished by a fine of not more than One Thousand
1504 Dollars (\$1,000.00) or imprisoned in the county jail not more than
1505 six (6) months, or by both such fine and imprisonment.

1506 (3) Except as otherwise provided in Sections 1 through 19 of
1507 this act, in any prosecution or other proceeding for the violation
1508 of any of the provisions of this section, it is no excuse for the
1509 licensee, employee, dealer or other person to plead that he
1510 believed the person to be twenty-one (21) years old or over.

1511 **SECTION 28.** Section 75-76-157, Mississippi Code of 1972, is
1512 amended as follows:

1513 75-76-157. (1) Except as provided in Sections 75-76-159
1514 through 75-76-165, and in Sections 1 through 19 of this act,
1515 inclusive, gaming debts not evidenced by a credit instrument are
1516 void and unenforceable and do not give rise to any administrative
1517 or civil cause of action.

1518 (2) Except as otherwise provided in Sections 1 through 19 of
1519 this act, a claim by a patron of a licensee for payment of a
1520 gaming debt not evidenced by a credit instrument, and a dispute
1521 between a licensee and a patron associated with a promotional
1522 activity as defined in Section 75-76-5(mm), shall be resolved by
1523 the executive director in accordance with Sections 75-76-159
1524 through 75-76-165, inclusive. The resolution of such a claim or



1525 dispute by the executive director shall include any claims for
1526 alleged winnings or losses, or the award or distribution of cash,
1527 prizes, benefits, tickets or any other item of value associated
1528 with the promotional activity, or the manner in which the specific
1529 event at which the award or distribution from the promotional
1530 activity is conducted; however, the authority granted under this
1531 subsection (2) regarding a promotional activity does not provide
1532 the executive director or the commission with any additional
1533 authority, not otherwise granted by law, to regulate the
1534 promotional activity with regard to those matters pertaining
1535 exclusively to the operational or administrative aspects of the
1536 promotional activity that occur in advance of such specific event
1537 at which the award or distribution is conducted.

1538 **SECTION 29.** Section 75-76-177, Mississippi Code of 1972, is
1539 amended as follows:

1540 75-76-177. (1) From and after August 1, 1990, there is
1541 hereby imposed and levied on each gaming licensee a license fee
1542 based upon all the gross revenue of the licensee as follows:

1543 (a) Four percent (4%) of all the gross revenue of the
1544 licensee which does not exceed Fifty Thousand Dollars (\$50,000.00)
1545 per calendar month;

1546 (b) Six percent (6%) of all the gross revenue of the
1547 licensee which exceeds Fifty Thousand Dollars (\$50,000.00) per
1548 calendar month and does not exceed One Hundred Thirty-four
1549 Thousand Dollars (\$134,000.00) per calendar month; and



1550 (c) Eight percent (8%) of all the gross revenue of the
1551 licensee which exceeds One Hundred Thirty-four Thousand Dollars
1552 (\$134,000.00) per calendar month.

1553 (2) All revenue received from any game or gaming device
1554 which is leased for operation on the premises of the
1555 licensee-owner to a person other than the owner thereof or which
1556 is located in an area or space on such premises which is leased by
1557 the licensee-owner to any such person, must be attributed to the
1558 owner for the purposes of this section and be counted as part of
1559 the gross revenue of the owner. The lessee is liable to the owner
1560 for his proportionate share of such license fees.

1561 (3) If the amount of license fees required to be reported
1562 and paid pursuant to this section is later determined to be
1563 greater or less than the amount actually reported and paid by the
1564 licensee, the * * * Commissioner of Revenue shall:

1565 (a) Assess and collect the additional license fees
1566 determined to be due, with interest thereon until paid; or

1567 (b) Refund any overpayment, with interest thereon, to
1568 the licensee.

1569 Interest must be computed, until paid, at the rate of one
1570 percent (1%) per month from the first day of the first month
1571 following either the due date of the additional license fees or
1572 the date of overpayment.



1573 (4) Failure to pay the fees provided for in this section
1574 when they are due for continuation of a license shall be deemed a
1575 surrender of the license.

1576 (5) All fees imposed under the provisions of Sections 1
1577 through 19 of this act shall be in addition to the fees imposed
1578 under this section.

1579 **SECTION 30.** Section 75-76-191, Mississippi Code of 1972, is
1580 amended as follows:

1581 75-76-191. (1) In addition to any other state gaming
1582 license fees provided for in this chapter, from and after August
1583 1, 1990, there is hereby imposed and levied on each applicant for
1584 a state gaming license a license fee to be determined on the basis
1585 of the following annual rates:

1586 (a) From establishments operating or to operate ten
1587 (10) games or less:

1588 (i) Those establishments operating or to operate
1589 one (1) game, the sum of Fifty Dollars (\$50.00).

1590 (ii) Those establishments operating or to operate
1591 two (2) games, the sum of One Hundred Dollars (\$100.00).

1592 (iii) Those establishments operating or to operate
1593 three (3) games, the sum of Two Hundred Dollars (\$200.00).

1594 (iv) Those establishments operating or to operate
1595 four (4) games, the sum of Three Hundred Seventy-five Dollars
1596 (\$375.00).



1597 (v) Those establishments operating or to operate
1598 five (5) games, the sum of Eight Hundred Seventy-five Dollars
1599 (\$875.00).

1600 (vi) Those establishments operating or to operate
1601 six (6) or seven (7) games, the sum of One Thousand Five Hundred
1602 Dollars (\$1,500.00).

1603 (vii) Those establishments operating or to operate
1604 eight (8), nine (9) or ten (10) games, the sum of Three Thousand
1605 Dollars (\$3,000.00).

1606 (b) From establishments operating or to operate more
1607 than ten (10) games:

1608 (i) For each game up to and including sixteen (16)
1609 games, the sum of Five Hundred Dollars (\$500.00).

1610 (ii) For each game from seventeen (17) to
1611 twenty-six (26) games, inclusive, the sum of Four Thousand Eight
1612 Hundred Dollars (\$4,800.00).

1613 (iii) For each game from twenty-seven (27) to
1614 thirty-five (35) games, inclusive, the sum of Two Thousand Eight
1615 Hundred Dollars (\$2,800.00).

1616 (iv) For each game more than thirty-five (35)
1617 games, the sum of One Hundred Dollars (\$100.00).

1618 (2) The license fee imposed by this section is to be paid by
1619 the applicant to the * * * Department of Revenue on or before the
1620 filing of the application for issuance of a gaming license by the
1621 applicant, and is to be paid annually thereafter for continuation



1622 of the gaming license. Upon such payment, the * * * Executive
1623 Director of the * * * Department of Revenue shall certify to the
1624 Executive Director of the Gaming Commission that such fee has been
1625 paid by the applicant, and the amount of the fee paid.

1626 (3) Card games, that is, stud or draw poker, bridge, whist,
1627 solo, low ball, and panguingui for money, and slot machines, when
1628 not utilized as an adjunct to or a unit of any banking, percentage
1629 or mechanical device or machine, are not gambling games under the
1630 provisions of this section.

1631 (4) All games operated or conducted in one (1) room or a
1632 group of rooms in the same or a contiguous building or vessel are
1633 considered one (1) operation, and the license to be paid must be
1634 determined on the aggregate number of games in each room or group
1635 of rooms in the same or a contiguous building or vessel.

1636 (5) All fees imposed under the provisions of Sections 1
1637 through 19 of this act shall be in addition to the fees imposed
1638 under this section.

1639 **SECTION 31.** Section 75-76-195, Mississippi Code of 1972, is
1640 amended as follows:

1641 75-76-195. (1) Except as otherwise provided in subsection
1642 (6) of this section, in addition to any state gaming license fees
1643 or taxes, from and after August 1, 1990, (a) a municipality may
1644 impose a fee upon a licensee located within the municipality for
1645 conducting, carrying on or operating any gambling game, slot
1646 machine or other game of chance based upon all the gross revenue



1647 of the licensee derived from his establishment within the
1648 municipality, and (b) a county may impose a fee upon a licensee
1649 located within the unincorporated area of the county for
1650 conducting, carrying on or operating any gambling game, slot
1651 machine or other game of chance based upon all the gross revenue
1652 of the licensee derived from his establishment within the
1653 unincorporated area of the county, as follows:

1654 (i) Four-tenths percent (.4%) of all the gross
1655 revenue which does not exceed Fifty Thousand Dollars (\$50,000.00)
1656 per calendar month;

1657 (ii) Six-tenths percent (.6%) of all the gross
1658 revenue which exceeds Fifty Thousand Dollars (\$50,000.00) per
1659 calendar month and does not exceed One Hundred Thirty-four
1660 Thousand Dollars (\$134,000.00) per calendar month; and

1661 (iii) Eight-tenths percent (.8%) of all the gross
1662 revenue of the licensee which exceeds One Hundred Thirty-four
1663 Thousand Dollars (\$134,000.00) per calendar month.

1664 (2) Whenever a municipality or county imposes a fee under
1665 this section, it shall not become effective until the first day of
1666 the month following the month in which the municipality or county
1667 adopts the ordinance imposing the fee.

1668 (3) All revenue received from any game or gaming device
1669 which is leased for operation on the premises of the
1670 licensee-owner to a person other than the owner thereof or which
1671 is located in an area or space on such premises which is leased by



1672 the licensee-owner to any such person must be attributed to the
1673 owner for the purposes of this section and be counted as part of
1674 the gross revenue of the owner. The lessee is liable to the owner
1675 for his proportionate share of such fees.

1676 (4) If the amount of fees required to be reported and paid
1677 pursuant to this section is later determined to be greater or less
1678 than the amount actually reported and paid by the licensee,
1679 the * * * Department of Revenue on behalf of the local government
1680 shall:

1681 (a) Assess and collect the additional fees determined
1682 to be due, with interest thereon until paid; or

1683 (b) Refund any overpayment, with interest thereon, to
1684 the licensee.

1685 Interest must be computed, until paid, at the rate of one
1686 percent (1%) per month from the first day of the month following
1687 either the due date of the additional fees or the date of
1688 overpayment.

1689 (5) Failure to pay the fees provided for in this section
1690 when they are due for continuation of a license shall be deemed a
1691 surrender of the license.

1692 (6) A gaming licensee is not required to pay the fees
1693 provided for in this section with regard to the operation of
1694 lawful Internet gaming as authorized in Sections 1 through 19 of
1695 this act.



1696 **SECTION 32.** Section 75-76-267, Mississippi Code of 1972, is
1697 brought forward as follows:

1698 75-76-267. (1) Conviction by a court of competent
1699 jurisdiction of a person for a violation of, an attempt to
1700 violate, or a conspiracy to violate any of the provisions of this
1701 chapter shall act as an immediate revocation of all licenses which
1702 have been issued to the violator, and, in addition, the court may,
1703 upon application of the district attorney of the county or of the
1704 commission, order that no new or additional license under this
1705 chapter be issued to the violator, or be issued to any person for
1706 the room or premises in which the violation occurred, for one (1)
1707 year after the date of the revocation.

1708 (2) Any person who willfully fails to report, pay or
1709 truthfully account for and pay over any license fee or tax imposed
1710 by the provisions of this chapter, or willfully attempts in any
1711 manner to evade or defeat any such license fee, tax or payment
1712 thereof, shall be punished by commitment to the custody of the
1713 Department of Corrections for not less than one (1) year nor more
1714 than six (6) years, or by a fine of not more than Five Thousand
1715 Dollars (\$5,000.00), or by both fine and imprisonment.

1716 (3) Except as provided in subsection (4), any person who
1717 willfully violates, attempts to violate, or conspires to violate
1718 any of the provisions of subsection (1) of Section 75-76-57, shall
1719 be punished by commitment to the custody of the Department of
1720 Corrections for not less than one (1) year nor more than twenty



1721 (20) years, by a fine of not more than Fifty Thousand Dollars
1722 (\$50,000.00), or by both fine and imprisonment.

1723 (4) A licensee who puts additional games or slot machines
1724 into play or displays additional games or slot machines in a
1725 public area without first obtaining all required licenses and
1726 approval is subject only to the penalties provided in Sections
1727 75-76-93 and 75-76-103 and in any applicable ordinance of the
1728 county or municipality.

1729 (5) The violation of any of the provisions of this chapter,
1730 the penalty for which is not specifically fixed in this chapter,
1731 is a misdemeanor.

1732 **SECTION 33.** Section 75-76-301, Mississippi Code of 1972, is
1733 brought forward as follows:

1734 75-76-301. It is unlawful for any person:

1735 (a) To alter or misrepresent the outcome of a game or
1736 other event on which wagers have been made after the outcome is
1737 made sure but before it is revealed to the players.

1738 (b) To place, increase or decrease a bet or to
1739 determine the course of play after acquiring knowledge, not
1740 available to all players, of the outcome of the game or any event
1741 that affects the outcome of the game or that is the subject of the
1742 bet or to aid anyone in acquiring such knowledge for the purpose
1743 of placing, increasing or decreasing a bet or determining the
1744 course of play contingent upon that event or outcome.



1745 (c) To claim, collect or take, or attempt to claim,
1746 collect or take, money or anything of value in or from a gambling
1747 game, with intent to defraud, without having made a wager
1748 contingent thereon, or to claim, collect or take an amount greater
1749 than the amount won.

1750 (d) Knowingly to entice or induce another to go to any
1751 place where a gambling game is being conducted or operated in
1752 violation of the provisions of this chapter, with the intent that
1753 the other person play or participate in the gambling game.

1754 (e) To place or increase a bet after acquiring
1755 knowledge of the outcome of the game or other event that is the
1756 subject of the bet, including past-posting and pressing bets.

1757 (f) To reduce the amount wagered or cancel the bet
1758 after acquiring knowledge of the outcome of the game or other
1759 event that is the subject of the bet, including pinching bets.

1760 (g) To manipulate, with the intent to cheat, any
1761 component of a gaming device in a manner contrary to the designed
1762 and normal operational purpose for the component, including, but
1763 not limited to, varying the pull of the handle of a slot machine,
1764 with knowledge that the manipulation affects the outcome of the
1765 game or with knowledge of any event that affects the outcome of
1766 the game.

1767 **SECTION 34.** Section 75-76-303, Mississippi Code of 1972, is
1768 brought forward as follows:



1769 75-76-303. It is unlawful for any person at a licensed
1770 gaming establishment to use, or possess with the intent to use,
1771 any device to assist:

1772 (a) In projecting the outcome of the game;

1773 (b) In keeping track of the cards played;

1774 (c) In analyzing the probability of the occurrence of
1775 an event relating to the game; or

1776 (d) In analyzing the strategy for playing or betting to
1777 be used in the game, except as permitted by the commission.

1778 **SECTION 35.** Section 75-76-325, Mississippi Code of 1972, is
1779 amended as follows:

1780 75-76-325. (1) There is created in the State Treasury a
1781 special fund to be designated as the "Mississippi Gaming
1782 Commission Fund." The special fund shall consist of monies
1783 deposited therein under Section 75-76-81 and Sections 1 through 19
1784 of this act and monies from any other source designated for
1785 deposit into the fund. Unexpended amounts remaining in the
1786 special fund at the end of a fiscal year shall not lapse into the
1787 State General Fund, and any interest earned or investment earnings
1788 on amounts in the fund shall be deposited to the credit of the
1789 fund.

1790 (2) Monies in the special fund may be used by the
1791 commission, upon appropriation by the Legislature, only for the
1792 purposes of carrying out the provisions of this chapter.

1793 Unexpended amounts remaining in the special fund at the end of a



1794 fiscal year shall be used by the commission in calculating the
1795 amounts of fees to be imposed under Section 75-76-33(2)(f) during
1796 the next succeeding state fiscal year that will be necessary to
1797 provide the commission with sufficient revenue, when combined with
1798 other monies deposited into the special fund, to carry out the
1799 provisions of this chapter without any state general funds.

1800 **SECTION 36.** The provisions of Sections 1 through 19 of this
1801 act shall be codified as a separate article in Title 75, Chapter
1802 76, Mississippi Code of 1972.

1803 **SECTION 37.** This act shall take effect and be in force from
1804 and after July 1, 2014.

